

UTILITY ADVISORY BOARD

Thursday, May 16, 2013

8:00 a.m.

Grand Rapids Water Administration

1900 Oak Industrial Drive NE

AGENDA

1. Approval of Minutes – April 18, 2013 (attached)
2. Public Comment on Agenda Items
3. Update on Flood of 2013 Preventative Measures
4. Footing Drain Program Update
5. Sewer Use Ordinance Next Steps (attached)
 - a. Cover memo
 - b. April 23, 2013 memo – Adoption of 2013 Sewer Ordinance Revisions
 - c. Proceeding #82358 – Ordinance approved 4/30/13
 - d. Highlighted changes to the Ordinance
6. Final FY 2014 Budgets for Water/Sewer (attached)
7. Continued Discussion – Collection Stream Changes (attached)
8. Contract Awards for April, 2013 (attached)
9. Updates:
 - a. Customer Information System Update
 - b. EMA Update
 - c. Report of Bond Sale (attached)
10. Items from Members
11. Next Meeting – Thursday, June 20 - Where?
12. Adjournment

Utility Advisory Board
April 18, 2013

1. **Call to Order:**

The meeting was called to order by Vice Chair, Brian Donovan, at 8:00 a.m. at Grand Rapids Water Office, 1900 Oak Industrial Drive NE.

2. **Attendance:**

Members Attending:

Brian Donovan
George Haga
Wayne Jernberg
Mike Lunn
Pam Ritsema
Ed Robinette
Breese Stam (Alternate)
Ben Swayze
Joellen Thompson
Linda Wagenmaker (Alternate)
Josh Westgate
Ron Woods

Others Attending:

Geri Eye

Members Absent:

Scott Buhner (alternate attended)
Mark DeClercq (alternate attended)
Eric DeLong
Chuck Schroeder
Cathy VanderMeulen
Toby VanEss

3. **Approval of Minutes:**

Motion 13-08: Ed Robinette, supported by Wayne Jernberg, moved to approve the minutes of the March 21, 2013, Utility Advisory Board meeting as presented. Motion carried.

4. **Public Comment:** There was no public comment.

5. **Footing Drain Program Update**

This will be presented next month.

6. **Collection Stream Changes**

This will be discussed next month.

7. **Quarterly Financial Reports**

Reports were provided with the meeting materials. Members should contact Linda Wagenmaker or Geri Eye if they have any questions on the reports.

8. Contract Awards for March 2013

Members were referred to the report provided with the meeting materials.. There were no comments or questions on the awards.

9. Updates

Sewer Use Ordinance - An update will be provided at the next meeting.

Customer Information System – An update will be provided at the next meeting.

EMA – An update will be provided at the next meeting.

Water/Sewer Marketing Piece – Nancy Meyer distributed a copy of the informational piece that was put together by staff, working with The Right Place, Inc. Representatives from The Right Place and others took copies of this with them on the recent trip to the Netherlands. There are plans to make this more of a true marketing piece once they return to the U.S.

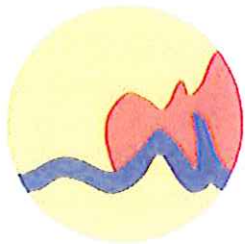
10. Items from Members:

Members discussed the current rain event and each offered other communities as needed.

11. Next Meeting:

The next meeting will be held on Thursday, May 16, at the Grand Rapids Water Office, 1900 Oak Industrial Drive NE.

/nlm



CITY OF GRAND RAPIDS

ENVIRONMENTAL SERVICES DEPARTMENT

May 8, 2013

Re: City of Grand Rapids 2013 City Sewage Disposal System Ordinance

The City of Grand Rapids has approved and adopted updated sections to the City Sewage Disposal System Ordinance of Chapter 27 of Title II – Utilities and Services of the Code of the City of Grand Rapids on April 30, 2013. The newly adopted ordinance sections take effect thirty (30) days after adoption. Each contributory jurisdiction to the sanitary sewer collection system must adopt equivalent sewer use ordinance sections for their community as required by the Interjurisdictional Agreements between the City of Grand Rapids and each community.

To assist you in this process, email packets have been created for distribution containing copies of: (1) the ordinance changes as they compare to the previous (2010) ordinance, (2) the 2010 sewer use ordinance as a reference, (3) the City commission adoption memo, (4) the City commission ordinance proceeding, and (5) the Footing Drain Disconnection Program section of the ordinance. Adoption of the Footing Drain Disconnection Program section of the ordinance is optional; however, footing drains connected to the sanitary sewer are illegal under this ordinance section. The packets will be emailed to each community's supervisor or manager after initial phone contact is made by the Environmental Services Department, explaining the process of adopting an equivalent ordinance and to answer any questions. Below are the steps usually necessary for adopting an equivalent ordinance:

- Draft ordinance changes are written that are substantially equivalent to the City of Grand Rapids Chapter 27 City Sewage Disposal System Ordinance changes. This is normally completed by legal counsel of the township or community. If the draft is written by an individual other than legal counsel, the draft is sent to legal counsel for review and changes are made if necessary.
- After legal review, the draft is submitted to the City of Grand Rapids for review by its attorney. If changes are needed, the draft must be revised to reflect these changes.
- The final version of the ordinance changes travels through the community's commission or township board meeting process of introduction, public comment period, and final adoption.
- When the ordinance changes are adopted, the City of Grand Rapids will need a clerk certified copy of the adopted ordinance changes.
- When the City of Grand Rapids receives the certified copy of the ordinance changes it is kept on file and the requirements for the interjurisdictional agreement are satisfied.

Wastewater Treatment
Administrative Offices
1300 Market Avenue SW
Grand Rapids, MI 49503
Tel: (616) 456-3625
Fax: (616) 456-3711

Engineering
1900 Oak Industrial Dr. NE
Grand Rapids, MI 49505
Tel: (616) 456-3690
Fax: (616) 456-3138

Sewer Maintenance
660 Market Avenue. SW
Grand Rapids, MI 49503
Tel: (616) 456-3246
Fax: (616) 456-3736

Stormwater Maintenance
1120 Monroe NW
Grand Rapids, MI 49503
Tel: (616) 456-3253/3127
Fax: (616) 456-4088

The City of Grand Rapids Environmental Services Department will help guide you through this process and will be periodically contacting you via phone and or email to answer any questions and determine the status of your ordinance changes. An Industrial Pretreatment Program inspector will be assigned to each community as the point of contact. If you have any questions regarding this letter, please contact me at the number below.

Sincerely,

A handwritten signature in cursive script that reads "Kurt Anderson".

Kurt Anderson
Water Pollution Control Officer
City of Grand Rapids
616-456-3260
kanderson@grcity.us



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: April 23, 2013

TO: Gregory A. Sundstrom, City Manager

FROM: Mike Lunn, Environmental Services Department Manager

SUBJECT: Adoption of 2013 Sewer Ordinance Revisions

April 9, 2013, the City Commission approved a resolution to publish the proposed amendments to the Sewer Ordinance and consideration for adoption on April 30, 2013.

The State of Michigan, Department of Environmental Quality (DEQ) provided a letter of approval of the City's proposed Sewer Use Ordinance on January 8, 2013. Next, a joint public notice was required, in conjunction with the DEQ, that occurred February 14, 2013 through March 14, 2013. No comments were received during the public notice. The proposed ordinance has been reviewed by the Utility Advisory Board, and it has recommended approval.

Subsequent to the City Commission adoption of the ordinance, the partner communities of the UAB are required to adopt the ordinance within 90 days; however, it usually requires additional time.

Tetra Tech has completed a Maximum Allowable Headworks Loading (MAHL) survey and the survey has been approved by the Michigan Department of Environmental Quality (MDEQ) which allows for an increase in MAHL. Strategic Capital Improvements at the plant allowed the Sewer System to maximize the current infrastructure to accommodate additional loadings. The main change is to the allowable headworks loading for Biochemical Oxygen Demand (BOD) which represents a significant increase to the current loading. This will allow additional industrial growth without an expensive expansion of the Wastewater Treatment Plant.

For compatible pollutants the change is as follows (Article 3, Sec 2.67.3.a):

	BOD₅ (5-Day Biochemical Oxygen Demand)	TSS (Total Suspended Solids)	TP (Total Phosphorus)	NH₃ (Ammonia)
Current (lbs/day)	98,300	139,500	6,990	-
Proposed (lbs/day)	160,800	141,300	6,990	15,100

A loading analysis was also performed for toxics with no changes to the current loadings. These will be submitted MDEQ when the new NPDES Permit goes into effect as the approval process requires an extended review period.

Work continues on modifying all the current industrial discharge permits to a mass limit (lbs/day) instead of concentration (mg/l) for all compatible pollutants (BOD, Solids, Ammonia and Phosphorus), and a thickening project is underway to reduce the BOD loading on the secondary treatment process. This may allow additional BOD loading on the headworks in the future, when needed.

The other proposed ordinance language additions/changes are in response to current and foreseen National Pollution Discharge Elimination System (NPDES) permit requirements, State of Michigan rules, updated sewer rates and surcharge fees. Language changes are also proposed to address emerging requests for cooling tower sewer meters and grease trap additives that may potentially affect the POTW. Administrative fees for creating and monitoring discharge authorizations have been added, as well as a new non-domestic user survey system, which is a result of collaboration with the water business office to ensure Industrial Pretreatment compliance with Federal requirements.

There are two other significant changes to the ordinance.

1. Roof drain language has been added which is consistent with the Footing Drain Language. Currently there are a few locations where roof drains remain connected (the permit states they must be removed) but the owners claim cost and hardship for removing them. The proposed language allows a charge for the rain water entering the system to cover the costs of treatment and liability, to be calculated as follows: the roof area times annual average rainfall times the sewer volume rate divided by 12, added to the monthly bills plus the associated costs. This follows the rate methodology established as part of the East Leonard Heights and Maryland Estates Footing Drain project and will allow owners of connected roof drains to fully fund their usage of the system.

Article 10, Sec. 2.109.5 - "Roof drains not disconnected shall be subject to the same monthly charge as footing drains except the Dry Weather Flow (DWF) and Wet Weather Flows (WWF) shall be calculated on an individual basis. The calculation shall be the roof area in sq. ft. times the normal rainfall (3.2 ft) times 7.48 gals /cu. ft. to determine gal/year."

2. Monitor amalgam separators in dentists, oral surgeon and similar offices. This has been reviewed informally with the local A.D.A. This is required due the draft NPDES Permit and dental regulation of Public Act 503 of 2008 which is scheduled to go into effect January 1, 2014.

Article 6, Sec 2.66.2.q "Dental facilities shall comply with Public Act 503 of 2008, MCL 333.16631, as promulgated by the State of Michigan Legislature and all

Best Management Practices promulgated by the Michigan Department of Community Health in conjunction with the Michigan Department of Environmental Quality.”

There are several housekeeping items included in the ordinance:

- Medical waste language (to mirror Part 138 of the Michigan Public Health Code) modifications. Michigan Health Department regulates this waste and it is being discharged by many facilities. (Article 6, Sec 2.66.2.v)
- Administrative fee for discharge authorizations as there is no fee specified in current ordinance.
- Cooling tower language due to customer requests for sewer meters to address the several requests made by customers and the language will allow reduced costs due to evaporation.
- Language has been added to limit or deny use of enzymes or emulsifiers in grease traps or interceptors. There has been an increase in products which claim to eliminate grease and this language is required to keep the grease and by-products out of the sewers. (Article 6, Sec 2.66.2.x)
- Changes referenced from the DNRE to MDEQ as the Department has been renamed.
- Non-domestic user survey tied to water service cut-on/cutoff procedures. The permit requires a periodic survey of all commercial / industrial accounts. This incentive is needed to ensure that all commercial / industrial users complete the required survey. (Article 4, Sec 2.68.1)
- Business days definition is not clear and the new language provides a definition.
- BTEX (gasoline) added to local limit list (if checked as local limit as MTBE).
- Flow proportional sampling requirements are amended to mirror federal language. This update is required due to changes in federal requirements.
- Amend the primary measuring device location language. This related to flow proportional sampling requirements and needed due the experience to date with customers.

Please place this item on the next available city commission agenda. I will be available to answer any questions.

Attachments

cc: Eric DeLong

82358 An Ordinance to amend Chapter 27 of Title II of the City Code entitled, "City Sewage Disposal System" was presented to the City Commission on April 9, 2013 under File No. 82320 to be considered for adoption this date.

Com. Bliss, supported by Com. Lumpkins, moved adoption of the following Ordinance.

**AN ORDINANCE TO AMEND SECTIONS 2.62, 2.66, 2.67, 2.68, 2.69, 2.76, 2.78, 2.79, 2.83,
2.102, 2.107, 2.109, AND 2.111, CHAPTER 27, TITLE II
OF THE CODE OF THE CITY OF GRAND RAPIDS, ENTITLED
"CITY SEWAGE DISPOSAL SYSTEM"**

ORDINANCE NO. 2013-18

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 2.62 of Article 1 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.62. - Definitions.

For the purposes of this Chapter, the following words and phrases shall have the meanings respectively ascribed to them by this Section unless the context in which they are used specifically indicates otherwise:

- (1) *Authorized Representative* - In general, as described in 40 CFR 403.12 (l)(1), (2), (3), and (4). See below for details in regard to specific situations.
 - (a) In the case of a corporation, a president, secretary, treasurer or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation; or
 - (b) In the case of a limited liability company a principal managing member or the member in charge of the principal business functions;
 - (c) In the case of a partnership or proprietorship, a general partner or proprietor; and
 - (d) An authorized representative of the individual designated above if: (i) such a representative is responsible for the overall operation of the facilities from which the discharge into the POTW originates; (ii) the authorization is in writing; and (iii) the written authorization is submitted to the POTW.
- (2) *BOD* - Biochemical Oxygen Demand is an empirical test in which standardized laboratory procedures are used to determine the relative oxygen requirements of wastewaters, effluents and polluted water. The approved laboratory procedures are listed in Title 40 Part 136 of the Code of Federal Regulations, specifically in the method for the "Five (5) Day BOD Test".
- (3) *Best Management Practices or BMPs* - Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Section 2.66. BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.
- (4) *Building Inspections* - The Building Inspections Division of the Grand Rapids Department of Neighborhood Improvement.

- (5) *Bypass* - The intentional diversion of waste streams from any portion of an Industrial User's treatment facility.
- (6) *Categorical Pretreatment Standards* - National Pretreatment Standards specifying quantities or concentrations of pollutants or pollutant properties which may be discharged or introduced into a POTW by specific Industrial Dischargers.
- (7) *City* - The City of Grand Rapids.
- (8) *City Manager* - The City Manager of the City of Grand Rapids and any persons designated to act on behalf of the City Manager in the administration or enforcement of this Chapter.
- (9) *Clean Water Act* - The Federal Water Pollution Control Act, 33 USC Sec. 1251 et seq., as amended and applicable regulations promulgated thereunder.
- (10) *Combined Sewer* - Any sewer designed or intended to receive both stormwater and sewage.
- (11) *Combined Waste Stream Formula* - The waste stream at industrial facilities where regulated process effluent is mixed prior to treatment with wastewaters other than those generated by the regulated process. Where required by Federal or State law, and only to the extent required by Federal or State law, the combined waste stream formula provided in 40 CFR 403.6(e) and Rule 323.2311(7) MAC will apply to the limits applicable to a combined waste stream.
- (12) *Commercial User* - A person or entity whose premises are used to offer services and/or products such as retail and wholesale stores, gasoline stations, restaurants, schools, churches, hotels, motels, nursing homes, hospitals, warehouses, private clubs, theaters and governmental buildings. However, some Commercial Users may also be designated as Significant Industrial Users (SIU) should they meet the criteria established in 40 CFR 403.3(t), Rule 323.2302(cc) of the MAC and Section 2.62(45) of this Chapter.
- (13) *Commodity Rate* - Means a variable unit charge payable by a User based on metered water consumption.
- (14) *Compliance Schedule* - A schedule consisting of one (1) or more milestone dates required for corrections, additions or modifications of treatment systems or related pollution prevention or control activities as a result of enforcement actions, expansions or changes in operations or changes in local or categorical treatment standards. Compliance schedules do not preclude additional enforcement actions due to violations of requirements of this Chapter.
- (15) *Confined Space, Permit Required* - Space defined by reference to Part 90 of Act No. 154 of the Public Acts of 1974, as amended, § 408.1001 of the Michigan Compiled Laws.
- (16) *Cross-Media Electronic Reporting Regulation (CROMERR)* - An Environmental Protection Agency approved system allowing states, tribes, and local governments that receive or plan to begin receiving electronic documents in lieu of paper documents to satisfy regulations under an authorized program.
- (17) *Discharge Authorization* - Written authorization provided by the City Manager specifying the conditions for discharge of a one time or short term duration discharge, or other discharges not meeting the definition of Significant Industrial User, including, but not limited to cooling tower water and silver recovery unit discharges.

- (18) *Discharger* - Any person or entity owning, controlling or operating any real property which directly or indirectly utilizes the POTW. Discharger also means any employee, officer, director, partner, member, contractor or other person who participates in, or is legally or factually responsible for, any act or omission which is a violation of this Chapter or which results in a violation of this Chapter. This definition shall be interpreted broadly to include any person or entity who participates in an act or omission that results in a violation of this Chapter.
- (19) *Domestic User* - A person or entity whose premises are domiciles for single or multiple family use.
- (20) *Effluent* - Waste material (as smoke, liquid, industrial refuse or sewage) discharged into the POTW.
- (21) *Enforcement Action* - Action taken by the City to return a User into a state of compliance with the standards established in this Chapter of this Code. This may include, but is not limited to, fines, penalties and compliance schedules.
- (22) *Garbage* - Animal and plant waste resulting from the handling, preparation and cooking of foods.
- (23) *Industrial Effluent* - Waste matter or material discharged into the POTW from any non-domestic source subject to regulation under Section 307(b), (c), or (d) of the Clean Water Act.
- (24) *Industrial User* - Any person or entity that discharges into the POTW from any non-domestic source subject to regulation under Section 307(b), (c), or (d) of the Clean Water Act.
- (25) *Industrial Waste* - Solid, liquid or gaseous waste resulting from any industrial, manufacturing, trade or business process or from the development, recovery or processing of natural resources.
- (26) *Infiltration* - The water entering a sewer system, including sewer service connections, from the ground, through such manner as, but not limited to, defective pipes, pipe joints, connections or manhole walls. Infiltration does not include, and is distinguished from, inflow.
- (27) *Inflow* - The water discharged into a sewer system, including service connections from such sources as, but not limited to, roof leaders, cellar, yard and area drains, foundation drains, cooling water discharges, drains from springs and swampy areas, manhole covers, cross connections from storm drains and combined sewers, catch basins, stormwater, surface run-off, street wash waters or drainage. Inflow does not include, and is distinguished from, infiltration.
- (28) *Interceptor Sewer Lines* - Those lines whose basic function is to collect wastewater from two (2) or more separate trunk sewer lines and to transport such wastewater to the sewage treatment plant.
- (29) *Interference* - A discharge, which, alone or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the POTW collection, treatment processes or operations, or its sludge processes or operations, use, disposal, and causes a violation of any requirement of the POTW's NPDES Permit (including an increase in the magnitude or duration of the violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder, or any more stringent State or Local regulations: Section 405 of the Clean Water Act, the Solid Waste Disposal Act

(SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA)), and including State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act and the Marine Protection, Research and Sanctuaries Act.

- (30) *Lateral Sewer Line* - A sewer pipe beginning at the local collector sewer or other connection point and extending to the premises actually served. The lateral sewer includes the stub to which a User connects.
- (31) *MAHL* - The Maximum Allowable Headworks Loading expressed in pounds per day that the POTW can accept without experiencing: fire or explosion hazards, fume toxicity, pass through, sludge quality impairment, treatment inhibition or cause a violation of State Water Quality Standards.
- (32) *Medical Waste* - Isolation wastes, infectious agents, human blood and blood products, pathological wastes, sharps, body parts, contaminated bedding, surgical wastes, potentially contaminated laboratory wastes, and dialysis wastes.
- (33) *Monthly Service Charge* - Means a fixed monthly charge payable by a User based on the size of the water meter servicing the User.
- (34) *New Source* - Any building, structure, facility or installation of which the construction commenced after the publication of the proposed Pretreatment Standards under Section 307(c) (33 USC) which will be applicable to such source if such standards are thereafter promulgated in accordance with that Section provided that: (i) the construction is a site at which no other source is located; or (ii) the process or production equipment that causes the discharge of pollutants at an existing source is totally replaced; or (iii) the production or wastewater generating processes are substantially independent of an existing source at the same site. Reference 40 CFR 403.3(k) (2-3) or Rule 323.2302(r) of the Michigan Administrative Code for further information.
- (35) *North American Industry Classification System (NAICS)* - A six digit code used by business and government to classify and measure economic activity.
- (36) *NPDES* - National Pollution Discharge Elimination System, a permit issued pursuant to Section 402 of the Act (33 USC 1342), as amended.
- (37) *Pass Through* - A discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the POTW's NPDES permit (including an increase of the magnitude or duration of a violation).
- (38) *Person or Entity* - An individual, firm, partnership, association, public or private corporation, limited liability company or public agency or instrumentality.
- (39) *pH* - The logarithm (base 10) of the reciprocal of the concentration of hydrogen ions expressed in moles per liter of solution.
- (40) *Pollutant* - The term includes, but is not limited to: any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt and industrial, municipal, commercial and agricultural waste or any other contaminant or other substance defined as a pollutant under the Clean Water Act.

- (41) *POTW (Publicly Owned Treatment Works)* - A treatment works as defined by Section 212 of the Clean Water Act, including any devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage and industrial waste. The systems include sewers, pipes and equipment used to convey wastewater to the treatment facility. The term also includes the municipality as defined in Section 502(4) of the Clean Water Act which has jurisdiction over the indirect discharges to and the discharges from such treatment works.
- (42) *Premises* - Each lot or parcel of land or building having any connection to the POTW of the City.
- (43) *Pretreatment* - The reduction in the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to, or in lieu of, discharging or otherwise introducing such pollutants into a POTW. The reduction or alteration can be physical, chemical or biological processes, process changes or by other means. Dilution is not considered pretreatment unless expressly authorized by an applicable National Pretreatment Standard for a particular industrial category.
- (44) *Pretreatment Requirements* - Any substantive or procedural requirement related to pretreatment, other than a National Pretreatment Standard, imposed on an Industrial User.
- (45) *Property Owner* - Any person having legal or equitable title to real property or any person having or exercising care, custody or control over any real property.
- (46) *Public Sewer* - Local collector, trunk and interceptor sewer lines including lift stations and all appurtenances that are owned or controlled by the POTW.
- (47) *Severe Property Damage* - Substantial physical damage to property, damage to the treatment facilities of a User which causes them to become all or partially inoperable or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- (48) *Sewage* - Any liquid or water carried waste received from domestic, commercial and industrial customers, including any infiltration or inflow as may be present.
- (49) *Sewage Treatment Plant* - Any arrangement of devices and structures used for treating sewage.
- (50) *Sewer* - Any pipe or conduit for the conveyance of sewage.
- (51) *Significant Change* - Any change in a discharger's effluent which causes the constituents of the discharge to be different and/or increases in the concentration or flow by twenty (20) percent over those reported on the discharger's permit application.
- (52) *Significant Industrial User (SIU)* - Any discharger to the POTW who: (a) has an average discharge flow of twenty-five thousand (25,000) gallons or more of process wastewater per day (excluding sanitary, non-contact cooling and boiler blow down wastewater) or contributes a process waste stream which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the POTW, or as determined by the City Manager under authority of 40 CFR 403.12(a) and in Rule 323.2302 of the Michigan Administrative Code on the basis that the Industrial User has a reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement (in accordance with 40 CFR 403.8(f)(6) and Rule 323.2306(h) of the Michigan Administrative

Code); (b) is found by the City Manager, Michigan Department of Natural Resources & Environment (DNRE) or the U.S. Environmental Protection Agency (EPA) to have significant impact, either singly or in combination with other contributing Users, on the wastewater treatment system the quality of sludge, the system's effluent quality or air emissions generated by the system, or; (c) is subject to Federal Categorical Pretreatment Standards under 40 CFR 403.6 and Rule 323.2311 of the Michigan Administrative Code and 40 CFR Chapter I, Subchapter N. Upon a finding that an Industrial User meeting criteria (a) of this definition has no reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement, the City Manager may at anytime, on his/her own initiative, or in response to a petition received from an Industrial User or the POTW, and in accordance with 403.8(f)(6) and Rule 323.2306(h) of the Michigan Administrative Code, determine that such Industrial User is not a Significant Industrial User.

(53) *Significant Noncompliance* - Any Industrial User with a violation that meets one (1) or more of the following criteria:

- (a) Chronic violations of wastewater discharge limits, defined here as those in which sixty-six (66) percent or more of all of the measurements taken during a six (6) month period exceed (by any magnitude) the daily maximum limit, instantaneous limit, or the average limit for the same pollutant parameter;
- (b) Technical Review Criteria (TRC) violations, defined here as those in which thirty-three (33) percent or more of all of the measurements for each pollutant parameter taken during a six (6) month period equal or exceed the product of the daily maximum limit, instantaneous limit, or the average limit multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oil and grease and 1.2 for all other pollutants except pH).
- (c) Any other violation of a pretreatment effluent limit (daily maximum or longer term average) that the City Manager determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);
- (d) Any discharge of a pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW's exercise of its emergency authority under Section 2.83 of this Chapter to halt or prevent such a discharge;
- (e) Failure to meet, within ninety (90) days after the schedule date, a compliance schedule milestone contained in a local control mechanism or enforcement order for starting construction, completing construction or attaining final compliance;
- (f) Failure to provide, within thirty (30) days after the due date, required reports, ninety (90) day compliance reports, periodic self-monitoring reports and reports on compliance with compliance schedules;
- (g) Failure to accurately report noncompliance;
- (h) Any violation or group of violations, which the City Manager determines will adversely affect the operation or implementation of the local pretreatment program. As required by Federal Regulations, the City shall at least annually publish a list of Industrial Users which during the previous twelve (12) months were in significant noncompliance with applicable standards or pretreatment requirements; or
- (i) Failure to meet BMP requirements.

- (54) *Slug Discharge* - A slug discharge is any discharge of a non-routine, episodic nature, including, but not limited to, an accidental spill or non-customary batch discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, Local Limits, or Permit conditions.
- (55) *Storm Drain* - Any underground pipe or any facility intended to convey only stormwater runoff, street wash waters, groundwater and drainage. This term also includes discharges allowed by State or Federal discharge permits.
- (56) *Suspended Solids* - All matter existing in non-liquid state which is removable by filtration in accordance with 40 CFR 136 referenced as "Residue, Non-filterable", or an alternative method approved by the EPA Administrator in accordance with 40 CFR 403.12(b)(5)(vi) and Rule 323.2310(e)(vi) of the Michigan Administrative Code.
- (57) *System* - Refers to the POTW.
- (58) *Toxic Pollutant* - Any pollutant identified pursuant to Section 307 of the Clean Water Act, or pursuant to Part 31 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, or pursuant to any other applicable laws or regulations.
- (59) *Uncontaminated Industrial Effluents* - Water which has not come into contact with any substance used in, or incidental to, industrial processing operations, such as non-contact cooling water and to which no deleterious or toxic substance has been added.
- (60) *Upset* - An exceptional incident in which there is unintentional and temporary noncompliance with categorical pretreatment standards (or other limits of this Chapter) because of factors beyond the reasonable control of the Industrial User. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, and lack of preventive maintenance or careless or improper operation.
- (61) *User Class* - Either a domestic, commercial or industrial group of Users.
- (62) *Wastewater* - Water, or any liquid, whether or not containing pollutants, which is discharged or permitted to be discharged into the sanitary sewer system.
- (63) *Water Business Office* - The Division of the Grand Rapids City Water Department System that is responsible for the reading of meters, submitting bills for water and/or sewer service, collection of payment for bills and the preparation and maintenance of the customer accounts including applications for service."

Section 2. That Section 2.66 of Article 3 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.66. - General Discharge Conditions and Prohibitions.

- (1) All premises connected to the POTW shall meet the following requirements:
 - (a) Minimum size of the building drain/sewer, including required cleanouts, shall be four (4) inches or greater in diameter;
 - (b) A grease interceptor, with a maintenance cleaning schedule appropriate for its intended use, shall be required to receive the drainage from fixtures and equipment having grease-laden waste, located in food preparation areas such

as in restaurants, commercial kitchens, bars, clubs or similar facilities. The grease interceptor shall not be less than a three (3) compartment, one thousand (1000) gallon system, or equivalent, unless the City Manager approves an alternative system. Food waste grinders shall not discharge to the building drainage system through the grease interceptor, unless the interceptor is appropriately sized to handle the solids loading and approved per the plumbing code. Grease interceptors shall be cleaned and maintained in accordance with BMP. At no time shall the level of grease and sludge in any compartment of the trap be greater than twenty-five (25) percent of the tank liquid level. Proof of maintenance and cleaning shall be available for review upon request.

- (c) Sand traps and similar interceptors for removal of heavy solids by Commercial Users, as determined by the City Manager, shall be designed and installed, according to the City Sand Trap for Garages design specifications. They shall be located as to be readily accessible for cleaning and shall have a water seal of not less than six (6) inches. Sand traps and similar interceptors shall be cleaned and maintained in accordance with BMP. Proof of maintenance and cleaning shall be available for review upon request.
 - (d) Oil/Water separators are required at repair garages, gasoline stations with grease racks, grease pits or work racks and at factories, or other facilities, where oily and flammable liquid wastes are produced. Separators shall be installed into which all oil-bearing, grease-bearing or flammable wastes shall be discharged before emptying in the building drainage system or other point of disposal. Oil separators shall have a depth of not less than two (2) feet below the invert of the discharge drain. The outlet opening of the separator shall not have less than an eighteen (18) inch water seal. An alternative design may be approved by the Plumbing Inspector, as provided for by the Plumbing Code. Oil/water separators shall be cleaned and maintained in accordance with BMP. Proof of maintenance and cleaning shall be available for review upon request.
- (2) No discharger shall introduce into the POTW any pollutant(s) which cause pass through or interference. The following general and specific prohibitions of this Section apply to each discharger introducing pollutants into the POTW whether or not the discharger is subject to any National, State or local pretreatment standards or requirements.

Pollutants, substances, or wastewater prohibited by this Section shall not be processed or stored in such a manner that they could be discharged to the POTW.

- (a) Pollutants which create a fire or explosion hazard in the POTW, including, but not limited to, waste streams with a closed cup flashpoint of less than one hundred forty (140) degrees Fahrenheit or sixty (60) degrees Centigrade using the test methods specified in 40 CFR 261.21.
- (b) Solid or viscous pollutants in amounts that will cause obstruction to the flow in the POTW or results in interference.
- (c) Pollutants which cause corrosive structural damage to the POTW, but in no case discharges with a pH lower than 5.0 or a pH greater than 10.5. These pH limits will be evaluated annually as part of the rate study and the limits set forth in this Section will be revised as deemed necessary.
- (d) Any wastewater containing toxic pollutants in sufficient quantity, either singly or by interaction, to injure or interfere with any wastewater treatment process,

constitute a hazard to humans or animals or exceed the limitations set forth in a Categorical Pretreatment Standard.

- (e) Any noxious or malodorous liquids, gases or solids which either singly, or by interaction, are capable of creating a public nuisance or hazard to life or are sufficient to prevent entry into the sewers for maintenance and repair.
- (f) Any substance which, alone or in conjunction with a discharge or discharges from other sources, may cause a violation of the POTW's NPDES permit or any applicable State or Federal water quality standards or interferes with any treatment process, or causes treatment residues, sludges or scums, to be unsuitable for reclamation or reuse or to interfere with the reclamation process. In no case shall a substance discharged to the POTW cause the POTW to be in noncompliance with sludge use or disposal criteria, guidelines or regulations developed under Section 405 of the Clean Water Act, any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the Solid Waste Disposal Act, the Clean Air Act, the Toxic Substances Control Act or State standards applicable to the sludge management method being used.
- (g) Any substance with objectionable color not removed in the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions.
- (h) Heat in amounts that will inhibit biological activity in the POTW resulting in interference, but, in no case heat in such quantities that the temperature at the headworks of the POTW exceeds forty (40) degrees Centigrade (one hundred four (104) degrees Fahrenheit) unless the DNRE, upon the request of the POTW, approves the alternative temperature limits.
- (i) Any pollutant, including oxygen demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the POTW.
- (j) Any unpolluted water including, but not limited to, noncontact cooling water, unless a discharge authorization is approved by the City Manager.
- (k) Any wastewater containing any radioactive wastes or isotopes of such half-life or concentration except as set forth in 10 CFR Part 20. Introduction of radioactive wastes that interfere with the operation of the POTW including, but not limited to, the use and disposal of sludge, the recycling of any and all waste products, or if the discharge causes the POTW to violate any local, State or Federal laws.
- (l) Pollutants which result in the presence of toxic gases, vapors or fumes within the POTW in a quantity that may cause acute worker health and safety problems.
- (m) Any discharge of petroleum oil, non-biodegradable cutting oil, animal fat, vegetable fat, oil, grease, products of mineral oil or any combination thereof at a concentration of greater than one hundred (100) milligrams per liter, unless it can be demonstrated that matrix interference is responsible for levels greater than this amount, but, in no case in amounts that will cause an obstruction, interference or pass through in the POTW.
- (n) Any substances not identified in (m) above, that will become solid or viscous after entering the POTW.
- (o) Any effluent having an average daily flow greater than two (2) percent of the POTW's average daily flow. The City Manager, upon review, may approve

greater discharges subject to conditions as authorized by this Chapter or special conditions he/she deems necessary in order to preserve and protect public health, safety and welfare, subject to conformance with the applicable State and Federal law.

- (p) Any trucked or hauled pollutants, except at discharge points designated by the City Manager.
- (q) Any detectable level of mercury using EPA Method 245.1 or 245.2 with a detection limit not to exceed 0.2 µg/l unless the User can demonstrate that matrix interference prevents the attainment of this level. Mercury sampling procedures, preservation and handling, and analytical protocol for compliance monitoring shall be in accordance with U.S. EPA Method 245.1 or 245.2. In the event that mercury is detected, the User shall develop and implement a mercury elimination plan including elements deemed necessary by the City Manager to progress toward the goal of no detectable discharge of mercury. For Users whose operation and discharge characteristics are substantially similar a group mercury elimination plan may be acceptable. Dental facilities shall comply with Public Act 503 of 2008, MCL 333.16631, and all Best Management Practices promulgated by the Michigan Department of Community Health in conjunction with the Michigan Department of Environmental Quality.
- (r) There shall be no discharge to the POTW of groundwater that has been contaminated with gasoline and related petroleum products that would qualify for a State of Michigan general discharge permit for gasoline and related petroleum products in accordance with Rule 2191 promulgated pursuant to Act 451 of the Public Acts of Michigan of 1994, as amended, Part 31, except where no other discharge option exists. If discharge to the POTW is desired under these conditions, the discharger must submit a wastewater discharge permit application as specified in Section 2.68 which may be approved by the City Manager. Upon approval a permit will be issued with appropriate conditions as set forth in Section 2.72. The total BTEX concentration shall not exceed twenty (20) micrograms per liter and the MTBE concentration shall not exceed twenty (20) micrograms per liter.
- (s) Disposal of septage waste into the POTW is prohibited, except as in accordance with the septage waste receiving plan, the City Manager may authorize disposal of portable containers of domestic waste, including waste from recreational vehicles. Septage wastes are to be discharged only at designated locations in accordance with the septage waste receiving plan.
- (t) Sludge from an industrial or commercial pretreatment system shall not be placed into the POTW. Such sludge shall be disposed of by a licensed hauler in a site approved by the DNRE.
- (u) Any substance that causes excessive foaming in the POTW.
- (v) Medical Wastes, except as specifically authorized according to Part 138, Medical Waste Regulatory Act of the Michigan Public Health Code 1978 PA 368, as amended.
- (w) Any detectable level of PCB using EPA Method 608 with a detection limit not to exceed 0.1 µg/l unless the User can demonstrate that matrix interference prevents the attainment of this level. PCB sampling procedures, preservation and handling, and analytical protocol for compliance monitoring shall be in accordance with U.S. EPA Method 608.

- (x) Bacteriological, chemical or enzymatic products shall not be added to facility discharge or be used to maintain or clean grease interceptors or grease traps, unless approved by the City Manager.
- (3) Bypass is prohibited, except in cases where the bypass was unavoidable to prevent a loss of life, personal injury, or severe property damage, and where there are no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass that occurred during normal periods of equipment downtime or preventive maintenance. In cases where a bypass may occur it would be subject to the following conditions:
 - (a) Anticipated bypass - If an Industrial User knows in advance of the need for a bypass, the User shall submit prior notice to the POTW, if possible, at least ten (10) days before the date of the bypass. Upon notification, the City Manager shall make a determination whether to allow the discharge.
 - (b) Unanticipated bypass - An Industrial User shall immediately notify the City Manager of the occurrence of any unanticipated bypass. The City Manager shall make a determination whether to allow the discharge to continue. A written submission shall also be provided within five (5) days of becoming aware of the bypass. The written submission shall contain a description of the bypass and its cause, the dates and, if the bypass has not been corrected, the anticipated time it is expected to continue, and steps taken or planned to reduce, eliminate and prevent recurrence of the bypass.
- (4) Any discharger shall have an affirmative defense in any action brought against it alleging a violation of the general and specific prohibitions established in Section 2.66(2), (b), (h), (i), and (m), where the discharger can demonstrate that:
 - (a) It did not know or have reason to know that its discharge, alone or in conjunction with a discharge or discharges from other sources, would cause pass through or interference and;
 - (b) Either:
 - 1. A local limit designed to prevent pass through or interference was developed for each pollutant in the User's discharge that caused pass through or interference and the User was in compliance with each such local limit immediately before and during the pass through or interference; or
 - 2. A local limit was not applicable and immediately before and during the pass through or interference the User's discharge did not substantially change in volume or constituents from the User's previous discharges when the POTW was regularly in compliance with its NPDES permit and, in the case of interference, all applicable requirements for sludge use or disposal."

Section 3. That Section 2.67 of Article 3 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.67. - Limitations on Wastewater Strength.

- (1) Upon the promulgation of the Federal Categorical Pretreatment Standards for a particular industrial subcategory, the Federal Standard, if more stringent than limitations imposed under this Chapter for sources in that subcategory shall

immediately supersede the limitations imposed under this Chapter. Compliance by existing sources with Categorical Pretreatment Standards shall be within three (3) years of the date the standard is effective unless a shorter compliance time is specified in the appropriate subpart of 40 CFR Chapter I, Subpart N. A new source shall install, and have in operation at start-up, all pollution control equipment required to meet applicable Categorical Pretreatment Standards before beginning discharge. When the applicable Categorical Pretreatment Standards are expressed in terms of mass of pollutant per unit of production, the City Manager may convert these limits to equivalent limitations expressed either as a mass of pollutant discharged per day or effluent concentration for purposes of calculating effluent limitations applicable to individual Industrial Users as set forth in 40 CFR 403.6(c) (2-7) and Rule 323.2311(5) of the MAC. In situations in which non-regulated waste streams are intermixed with the regulated waste stream, the City Manager may use the combined waste stream formula to develop equivalent discharge limits. Whenever equivalent limits are used, they shall be deemed pretreatment standards in determining compliance with the standards. The City Manager shall notify all affected Users of the applicable reporting requirements under 40 CFR 403.12 and Rule 323.2310 of the MAC. An application for modification of the Categorical Pretreatment Standards may be considered for submittal to the Regional Administrator of EPA by the City Manager when the System achieves consistent removal of the pollutants as defined by 40 CFR Section 403.7 and Rule 323.2313 of the MAC.

- (2) No Industrial User shall increase the use of water or dilute a discharge as a substitute for adequate treatment to achieve compliance with a pretreatment standard or requirement.
- (3) Supplementary Limitations.
 - (a) Supplementary limits were established in accordance with EPA guidance and Michigan Department of Environmental Quality (MDEQ) approval criteria. Specific permit limits for BOD, Total Suspended Solids, Total Phosphorous, and Ammonia as $\text{NH}_3\text{-N}$, are specified by individual discharge permits and were derived from the industrial allocable portion of the MAHLs listed in Table 1.

Table 1: MAXIMUM ALLOWABLE HEADWORKS LOADINGS	
MATERIALS	LOADING (pounds/day)
Biochemical Oxygen Demand (BOD)	160,800
Total Suspended Solids (TSS)	141,300
Total Phosphorous (TP)	6,990
Ammonia Nitrogen ($\text{NH}_3\text{-N}$)	15,100

- (b) Table 2 contains a list of technically based local limits derived from the industrial allocable portion of the non-compatible pollutant MAHLs shown above as well as limits for toxic pollutants. For Users subject to Categorical Pretreatment Standards, which include the following parameters, the following limits, if more restrictive, shall apply, both to the categorically regulated process flow as well as any other flows not specifically regulated by Categorical Pretreatment Standards. For all other dischargers these limits shall apply to the total flow from each connection to the POTW, except silver which is a process discharge limit as noted. All measurements to determine compliance with these limits shall be performed in accordance with EPA approved methods found in 40 CFR 136. The monthly average shall be the average of all samples analyzed by EPA approved methods during a calendar month.

Table 2: LOCAL LIMITS		
Inorganic	Daily Maximum (mg/L)	Monthly Average (mg/L)
Total Arsenic	1.46	NA
Total Cadmium	0.817	NA
Total Chromium	4.0	NA
Hexavalent Chromium	0.72	NA
Total Copper	1.5	NA
Total Cyanide	1.0	NA
Total Lead	1.5	NA
Total Mercury	ND ¹	NA
Total Molybdenum	3.4	NA
Total Nickel	1.5	1.1
Total Selenium	2.3	1.67
Total Silver	620 ²	NA
Total Zinc	2.6	2.0

Organic	Daily Maximum (mg/L)	Monthly Average (mg/L)
Total Phenols	3.26	NA
Polychlorinated Biphenyls	ND ³	NA
Tetrachloroethylene	0.25	NA
Trichloroethylene	0.16	NA
MTBE	0.02	NA

NA Not applicable

- (1) Non-detectable or as specified in Section 2.66(2)(q).
- (2) Process discharge limit for photo processors and x-ray machines sampled for discharge of silver recovery unit. The analysis of these sample matrixes, photo processing and x-ray machine wastes for silver shall be performed on an unpreserved and undigested sample or an alternative preservation and analytical method that does not interfere with the measurement of silver.
- (3) Non-detectable per EPA Method 608 with a detection limit not to exceed 0.1 µg/l unless higher levels are appropriate due to matrix interference.

(c) For compatible pollutants, the City Manager shall establish specific concentration limits, when necessary, that are adequate to insure that the industrial allocable portion of the MAHL listed herein is not exceeded. Any requests for specific limits must be made at the time of permit application or renewal and such a determination will be made solely by the City Manager. The establishment of any such limits shall not create any vested right or property rights for the User. Accordingly, no right of appeal from such a determination will exist and the approval may be terminated, modified or subjected to special condition either at time of approval or thereafter, at the discretion of the City Manager.

(d) The City Manager may implement a system for setting special alternative specific limits for batch discharges. Special alternative specific limits may be approved when all of the following conditions are met:

1. The User requests a special alternative specific limit through the special alternative limit process.
2. The City Manager makes a determination that adequate treatment capacity exists to allow this special alternative specific limit consistent with the MAHL for those pollutants present.

In no event shall a special discharge permit be granted or effective which authorizes a discharge in excess of the limitations imposed by any applicable final Federal or State pretreatment standard or discharge limit. In addition the City Manager shall not consider any request for an increase above any limits that were calculated based on health or safety criteria.

(e) The City Manager may develop BMPs by ordinance or in individual wastewater discharge permits to implement Local Limits and the requirements of Section 2.66.

(4) Accidental Discharges.

(a) Prevention plan.

1. Industrial and Commercial Users shall provide protection from accidental discharge of materials which may interfere with the POTW by developing spill prevention plans. If the materials of concern are listed in Table 1 of Rule 324.2009 of the MAC, as amended, a Pollution Incident Prevention Plan (PIPP) pursuant to Part 31 of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of Michigan of 1994, as amended [MCL § 324.3101 et. seq.], and Rule 324.2006 of the MAC, as amended, shall be developed and maintained. A copy of the PIPP must be made available upon request of the City Manager. Facilities necessary to implement these plans shall be provided and maintained at the owner's or Industrial or Commercial User's expense.

Industrial and Commercial Users who store hazardous substances shall not discharge to the POTW after the effective date of this Ordinance until a State of Michigan required PIPP has been submitted. Receipt of such plan shall not relieve the Industrial or Commercial User from complying with all other laws and regulations governing the use, storage and transportation of hazardous substances.

(b) The City Manager shall evaluate each Significant Industrial User at least once every two (2) years, and other Industrial Users as necessary, to determine

whether such User needs a plan to control slug discharges. If the City Manager decides that a slug control plan is needed, the plan shall contain at a minimum the following elements:

1. Description of discharge practices, including non-routine batch discharges;
 2. Description of stored chemicals;
 3. Procedures for immediately notifying the POTW of slug discharges, including any discharge that would violate a prohibition under Sections 2.66 and 2.67, with procedures for follow-up written notification within five (5) days;
 4. When deemed necessary, procedures to prevent adverse impact from accidental spills, including inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site run-off, worker training, building containment structures or equipment, measures for containing toxic organic pollutants and/or measures and equipment for emergency response.
- (c) Any upset or accidental discharge shall be reported to the City Manager immediately upon occurrence. A detailed report shall be filed within five (5) days. The report shall include location of the upset or discharge, date and time thereof, type of waste, concentration, volume and corrective actions. Failure to file a report shall be a separate violation of this Chapter.
- (d) Signs shall be permanently posted in conspicuous places on discharger's premises, advising employees whom to call in the event of a slug, upset or accidental discharge. Employers shall instruct all employees who may cause, or discover such upset or discharge, with respect to emergency notification procedure.
- (e) Significant Industrial Users are required to notify the City Manager prior to any changes at its facility affecting the potential for a Slug Discharge."

Section 4. That Section 2.68 of Article 4 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

Sec. 2.68. - Permit Application.

- (1) All new non-domestic Users connecting to, or discharging to, the POTW, and all existing non-domestic Users connected to, or discharging to, the POTW, shall complete a Wastewater Discharge Survey to establish whether a non-domestic User should be classified as a Significant Industrial User or require a Discharge Authorization as defined in Section 2.62 and require a discharge permit. New water service will not be initiated until a complete survey is submitted. In the case of a transfer account, water service will be disconnected if a complete survey is not submitted within 10 days of the transfer. If, upon review, the City Manager determines a permit may be required, the non-domestic User shall file a permit application which may include, but not be limited to, the following information:
 - (a) Name, address and location of the discharger;
 - (b) North American Industry Classification System (NAICS) number(s) according to the North American Industry Classification System manual, Office of Management and Budget, 1997, as amended;

- (c) Wastewater constituents and characteristics including, but not limited to, toxic pollutants as determined by bona fide chemical and biological analyses. Sampling and analyses shall be performed in accordance with procedures established by the EPA and contained in 40 CFR, Part 136, as amended;
- (d) Time and duration of discharges;
- (e) Average daily and maximum daily wastewater flow rates in gallons per day, including daily, monthly and seasonal variations, if any. All flows shall be measured, unless other verifiable techniques are approved by the City Manager;
- (f) Site plans, floor plans, mechanical and plumbing plans and details to show all sanitary and storm drain systems, sewer connections, inspection manholes, sampling chambers and appurtenances by size, location and elevation;
- (g) Description of activities, facilities and plant processes on the premises including all materials which are, or may be, discharged to the POTW;
- (h) The nature and concentration of any pollutants or materials prohibited by this Chapter in the discharge, together with a statement regarding whether or not compliance is being achieved with this Chapter on a consistent basis and, if not, whether additional operation and maintenance activities and/or additional pretreatment is required for the discharger to comply with this Chapter;
- (i) Where additional pretreatment and/or operation and maintenance activities will be required to comply with this Chapter by an existing source, the discharger shall enter into a consent agreement consistent with the law, and approved by the City Manager, of the shortest schedule by which the discharger will provide such additional pretreatment and/or implementation of additional operational and maintenance activities. The compliance date for such a schedule shall not be later than the compliance date for any applicable standard. A new source (40 CFR 403.3(k) and Rule 323.2302(r) of the Michigan Administrative Code)), or an expansion of an existing source, must have in place all necessary equipment to abate pollution. For a new source this will be prior to the commencement of the discharge. For an expansion of an existing source this shall be before any additional wastewater is introduced to the System.
 - 1. The schedule shall contain milestone dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the discharger to comply with the requirements of this Chapter including, but not limited to, dates related to hiring a Michigan licensed professional engineer, completing preliminary plans, completing final plans, executing contract for major components, commencing construction, completing construction and all other acts necessary to achieve compliance with this Chapter.
 - 2. Under no circumstance shall the City Manager permit a time increment for any single step directed toward compliance which exceeds six (6) months.
 - 3. Not later than fourteen (14) days following each milestone date in the schedule and the final date for compliance, the discharger shall submit a progress report to the City Manager, including a statement as to whether or not they complied with the increment of progress represented by that milestone date and, if not, the date on which they expect to comply with this increment of progress, the reason for delay and the steps being taken by the discharger to return the construction to the approved schedule.

- (j) Each product produced by type, amount, process or processes and rate of production;
 - (k) The type and amount of raw materials utilized;
 - (l) All permit applications shall be signed by an authorized representative of the discharger, and a Michigan licensed professional engineer, where pretreatment facilities are required;
 - (m) When required by the City Manager, the discharger shall provide an inspection and sampling manhole(s) or structure(s), non-permitted confined space where feasible, with an opening of no less than twenty-four (24) inches diameter and an internal diameter of no less than thirty-six (36) inches containing flow measuring, recording and sampling equipment as required by the City Manager to assure compliance with this Chapter.
- (2) Non-domestic Users who have previously submitted a survey, as prescribed in this Section, are also required to complete a wastewater discharge survey periodically, at a frequency to be determined by the City Manager."

Section 5. That Section 2.69 of Article 4 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.69. - Significant Changes.

All Industrial Users shall promptly notify the Control Authority (and the POTW if the POTW is not the Control Authority) in advance of any substantial change in the volume or character of pollutants in their discharge, including the listed or characteristic hazardous wastes for which the Industrial User has submitted initial notification under 40 CFR 403.12(p) and Chapter 27, Sec. 2.75(4) of the City of Grand Rapids Code."

Section 6. That Section 2.76 of Article 4 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.76. - Periodic Compliance Reports.

- (1) Reporting Requirements.
 - (a) Significant Industrial Users subject to Categorical Pretreatment Standards shall submit to the City Manager a report, as required in 40 CFR 403.12(e), indicating the nature and concentration of prohibited or regulated substances in the effluent. The reports shall be submitted for the six (6) month periods of January through June and July through December. Reports are due within thirty (30) days of the end of the reporting period. If the sampling performed indicates a violation, the User shall notify the City Manager immediately upon becoming aware of the violation. At a minimum, the SIU shall also repeat the sampling and analysis and submit the results of the repeat analysis to the City Manager within thirty (30) days after becoming aware of the violation. In cases where the Pretreatment Standard requires compliance with a best management practice or pollution prevention alternative, the User must submit documentation required by the City Manager or the Pretreatment Standard necessary to determine the compliance status of the SIU. In addition, this report shall include a record of all measured or estimated average and maximum daily flows which during the reporting period exceeded the average daily flow reported in Section 2.68(1)(e) hereof. Flows shall be reported on the basis of actual measurement provided, however, where cost or feasibility considerations justify, the City Manager may accept reports of average and maximum flows estimated by verifiable techniques. The City Manager, for

good cause shown, considering such factors as local high or low flow rates, holidays, budget cycles, or other extenuating factors, may authorize the submission of said reports on months other than those specified above.

- (b) SIU with discharges that are not subject to Federal Categorical Pretreatment Standards but are subject to local limits shall follow the same sampling and reporting requirements as in (a) above.
- (2) Reports of permittees shall contain all results of sampling and analysis of the discharge, including the flow, nature, concentration, production and/or mass, where required by the City Manager. Reports required by discharge permits will be accepted in an electronically submitted format only through an Environmental Protection Agency (EPA) approved Cross Media Electronic Reporting Regulation (CROMERR) system compliant with the Code of Federal Regulations Title 40, Part 3." CROMERR is an Environmental Protection Agency approved system allowing states, tribes, and local governments that receive or plan to begin receiving electronic documents in lieu of paper documents to satisfy regulations under an authorized program.

Section 7. That Section 2.78 of Article 4 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.78. - Monitoring Facilities.

- (1) When deemed necessary by the City Manager, each discharger shall provide and operate, at the discharger's own expense, a monitoring facility to allow inspection, representative sampling and flow measurement of each discharge to the POTW. Sampling requirement shall be flow proportional unless time proportional composite sampling is authorized by the Control Authority. Each monitoring facility shall be situated on the discharger's premises, except where such a location would be impractical or cause undue hardship on the discharger, the City Manager may concur with the facility being constructed in the public right-of-way providing that the facility is located so that it will not be obstructed by landscaping or parked vehicles. Upon appropriate notice by the City Manager for monitoring facilities, a compliance schedule may be issued as a permit condition.
- (2) There shall be ample room in or near such sampling facilities to allow accurate sampling and preparation of samples for analysis. The facility, sampling and measuring equipment shall be maintained at all times in a safe and proper operating condition, at the expense of the discharger.
- (3) All required monitoring facilities shall be constructed and maintained in accordance with all applicable local construction standards and specifications (non-permitted confined space structure where feasible)."

Section 8. That Section 2.79 of Article 4 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.79. - Confidential Information.

- (1) Information and data furnished to the City Manager with respect to the nature and frequency of discharge shall be available to the public or other governmental agencies without restriction. Wastewater constituents and characteristics will not be recognized as confidential information. When requested by a discharger furnishing a report, the portions of a report which may disclose trade secrets or secret processes shall not be made available for inspection by the public unless required by law, but shall be made available upon written request to governmental agencies for uses related to this Chapter, the NPDES Permit, and/or the

pretreatment programs; provided, however, that such portions of a report shall be available for use by the State or any State agency in judicial review or enforcement proceedings involving the discharger furnishing the report.

- (2) Where a discharger has mass based limits as allowed by Federal Categorical Pretreatment Standards on a production basis, the production data necessary to determine compliance shall also be available to the public. Where application of the combined waste stream formula is necessary to apply Federal Categorical Pretreatment Standards to a discharger, the flow measurements and other data used in the calculation shall be available to the public."

Section 9. That Section 2.83 of Article 5 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

"Sec. 2.83. - Emergency Suspension of Service and Discharge Permits.

The City Manager may for good cause shown, suspend the sewage disposal system service and/or the Discharge Permit of a discharger when it appears that an actual or impending discharge presents or threatens an imminent or substantial danger to the health or welfare of persons or the environment, interferes with the operation of the POTW, violates any pretreatment limits or conditions imposed by this Chapter or any Discharge Permit issued pursuant to this Chapter. Any discharger notified of the suspension of sewage disposal system service and/or the discharger's Discharge Permit, shall cease all discharges immediately upon notification or as directed by the City Manager. In the event of failure of the discharger to comply voluntarily with the suspension order within the specified time, the City Manager may take whatever steps are deemed necessary to eliminate the discharge, including cessation of City water service and/or shall commence judicial proceedings for injunctive relief immediately thereafter to compel the discharger's compliance with such order. The City Manager may reinstate the Discharge Permit and/or sewage disposal system service and terminate judicial proceeding upon presentation of proof by the discharger of the elimination of the non-complying discharge or conditions creating the threat of imminent or substantial danger as set forth above."

Section 10. That Section 2.102(2) of Article 10 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

- "(2) The fee for a Significant Industrial User Discharge Permit or Discharge Authorization as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be four hundred dollars (\$400.00) per year and an analytical fee based upon Section 2.102(3)."

Section 11. That Section 2.107(1) of Article 11 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

- "(1) Billed usage for residential customers shall be based upon the volume of water used during the winter quarter. Rate amounts for commercial and industrial customers shall be based upon the volume of water used during each quarter. Water usage shall be recorded on a meter installed at each structure. Where no meter exists, a flat rate shall be charged for average usage of water as determined by the annual rate study per billing period for residential Users. A service charge, based on meter size, will be added to each bill."

Section 12. That Section 2.109(5) of Article 11 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

- "(5) Roof drains shall not be connected to the System. The City Manager shall order the immediate disconnection of all such connections. The owner of the premises shall be responsible for any and all costs associated with these disconnections and all costs including, but not limited to, legal and inspection service required to

enforce provisions of this Chapter. Each day the owner fails to comply with such order shall constitute a separate violation of this Section. Roof drains not disconnected shall be subject to the same monthly charge as footing drains except the Dry Weather Flow (DWF) and Wet Weather Flows (WWF) shall be calculated on an individual basis. The calculation shall be the roof area in square feet multiplied by the normal rainfall (3.2 ft) multiplied by 7.48 gals/cu ft to determine the gallons per year."

Section 13. That Section 2.111(5) of Article 11 of Title II of the Code of the City of Grand Rapids be amended to read as follows:

- "(5) Wastewater metering facilities may be installed by a User or as required by the City Manager to measure sewage discharge from the User's premises to the sanitary sewer. All such arrangements shall be made subject to acceptance by the City Manager and the expense thereof, including the installation, maintenance and operation, shall be borne by the User. Plans and specifications for the installation of any wastewater meter must be sealed by a Michigan licensed professional engineer and submitted to the City before actual installation begins. Such metering facilities shall meet the following criteria:
- (a) A Michigan licensed professional engineer must develop installation plans. Drawings of the location of the primary measuring device and the meter, the location of the meter's data output(s) and specifications for the meter, including its manufacturer, model and logging frequency, must be included with the plans.
 - (b) A plan location map, which accurately shows where the primary measuring device, flow meter and flow meter totalizer are located in relation to the facility building and shall be submitted as part of the drawings.
 - (c) Meter reading provisions shall be convenient meter installation sites or any existing water meter reading location.
 - (d) Underground structure, and all associated piping, which contains the primary measuring device and the meter shall be installed in accordance with the Plumbing Code.
 - (e) If possible, the primary measuring device must be located in an open or non-permitted confined space. The recording device may not be located in a confined space.
 - (f) The meter must include a data logger capable of recording and displaying continuous flow data. The data must be inspected each business day, by the User, with documentation of the inspection in the form of the inspector's initials, date and time. All data records must be maintained for a minimum of three (3) years and be available for inspection by the City.
 - (g) The meter installation must be inspected and found to be acceptable by the City Manager before any data from the meter will be used for billing purposes.
 - (h) The User must maintain a meter service contract provided by the manufacturer or the manufacturer's approved representative. The meter shall be checked and calibrated quarterly, or as per manufacturer's recommendation, by the service provider. All calibration records must be maintained for a minimum of three (3) years and be available for inspection by the City.
 - (i) If failure of the meter occurs, the User must notify the City Manager within three (3) business days. Repairs to the meter, which are the responsibility of

the owner, must be completed within five (5) business days. If repairs cannot be completed within five (5) business days, a timetable for completion of repairs must be submitted to the City Manager. If, as a result of failure, or suspected failure, the sewer meter readings are in dispute, the volume of water indicated by the City's water meter during the disputed time will be used as the wastewater volume.

- (j) The City, at its discretion, must be allowed to inspect the meter and all records pertaining to the meter. At the City Manager's discretion, the acceptance of any wastewater metering device and/or data may be revoked."

Carried by a roll call vote: Yeas: -7 Nays: -0

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held April 30, 2013.


Lauri S. Parks, City Clerk

Chapter 27 – City Sewage Disposal System, Sec. 2.62 Definitions, (16) & (17) & (37)

Old: definition (16) did not exist.

New: (16) *Cross-Media Electronic Reporting Regulation (CROMMERR)* – An Environmental Protection Agency approved system allowing states, tribes, and local governments that receive or plan to begin receiving electronic documents in lieu of paper documents to satisfy regulations under an authorized program.

Old: (16) *Discharge Authorization* – Written authorization provided by the City Manager specifying the conditions for discharge of a one time or short term duration discharge, or other discharges not meeting the definition of Significant Industrial User .

New: (17) *Discharge Authorization* – Written authorization provided by the City Manager specifying the conditions for discharge of a one time or short term duration discharge, or other discharges not meeting the definition of Significant Industrial User “including, but not limited to, cooling tower water and silver recovery unit discharges.”

Old: (36) *Pass Through* —A discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the POTW's NPDES permit (including an increase of the magnitude of duration of a violation).

New: (37) *Pass Through* —A discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the POTW's NPDES permit (including an increase of the magnitude or duration of a violation).

Article 3, Regulations, Section 2.66 General Discharge Conditions and Prohibitions, (1), (b)

Old: A grease interceptor, with a maintenance cleaning schedule appropriate for its intended use shall be required to receive the drainage from fixtures and equipment having grease-laden waste, located in food preparation areas such as in restaurants, commercial kitchens, bars, clubs or similar facilities. The grease interceptor shall not be less than a three (3) compartment, one thousand (1000) gallon system, or equivalent, unless the City Manager approves an alternative system. Grease interceptors shall be cleaned and maintained in accordance with BMP. At no time shall the level of grease and sludge in any compartment of the trap be greater than twenty-five percent (25%) of the tank liquid level. Proof of maintenance and cleaning shall be available for review upon request.

New: A grease interceptor, with a maintenance cleaning schedule appropriate for its intended use shall be required to receive the drainage from fixtures and equipment having grease-laden waste, located in food preparation areas such as in restaurants, commercial kitchens, bars, clubs or similar facilities. The grease interceptor shall not be less than a three (3) compartment, one thousand (1000) gallon system, or equivalent, unless the City Manager approves an alternative system. Food waste grinders shall not discharge to the building drainage system through the grease interceptor, unless the interceptor is appropriately sized to handle the solids loading and

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approved by the plumbing code. Grease interceptors shall be cleaned and maintained in accordance with BMP. At no time shall the level of grease and sludge in any compartment of the trap be greater than twenty-five percent (25%) of the tank liquid level. Proof of maintenance and cleaning shall be available for review upon request.

Article 3, Regulations, Section 2.66 General Discharge Conditions and Prohibitions, (2), (q)

Old: (q) Any detectable level of mercury using EPA Method 245.1 or 245.2 with a detection limit not to exceed 0.2 ug/l unless the User can demonstrate that matrix interference prevents the attainment of this level. Mercury sampling procedures, preservation and handling, and analytical protocol for compliance monitoring shall be in accordance with U.S. EPA method 245.1 or 245.2. In the event that mercury is detected, the User shall develop and implement a mercury elimination plan including elements deemed necessary by the City Manager to progress toward the goal of no detectable discharge of mercury. For Users whose operation and discharge characteristics are substantially similar a group mercury elimination plan may be acceptable.

New: (q) Any detectable level of mercury using EPA Method 245.1 or 245.2 with a detection limit not to exceed 0.2 ug/l unless the User can demonstrate that matrix interference prevents the attainment of this level. Mercury sampling procedures, preservation and handling, and analytical protocol for compliance monitoring shall be in accordance with U.S. EPA method 245.1 or 245.2. In the event that mercury is detected, the User shall develop and implement a mercury elimination plan including elements deemed necessary by the City Manager to progress toward the goal of no detectable discharge of mercury. For Users whose operation and discharge characteristics are substantially similar a group mercury elimination plan may be acceptable. **“Dental facilities shall comply with Public Act 503 of 2008, MCL 333.16631, and all Best Management Practices promulgated by the Michigan Department of Community Health in conjunction with the Michigan Department of Environmental Quality.”**

Article 3, Regulations, Section 2.66 General Discharge Conditions and Prohibitions, (2), (v)

Old: Medical Wastes, except as specifically authorized by the City Manager in an individual wastewater discharge permit.

New: Medical Wastes, except as specifically authorized **“according to Part 138, Medical Waste Regulatory Act of the Michigan Public Health Code 1978 PA 368, as amended.”**

Article 3, Regulations, Section 2.66 General Discharge Conditions and Prohibitions, (2), (x)

Old: *This section did not exist previously.*

New: **“Bacteriological, chemical or enzymatic products shall not be added to facility discharge or be used to maintain or clean grease interceptors or grease traps, unless approved by the City Manager.**

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Article 3, Regulations, Section 2.67 Limitations on Wastewater Strength, (3), (a), (b)

Old:

MAXIMUM ALLOWABLE HEADWORKS LOADINGS	
MATERIALS	LOADING (pounds/day)
BOD	98,300
TSS	139,500
Total Phosphorus	6,990

New:

Table 1. MAXIMUM ALLOWABLE HEADWORKS LOADINGS	
MATERIALS	LOADING (pounds/day)
Biochemical Oxygen Demand (BOD)	160,800
Total Suspended Solids (TSS)	141,300
Total Phosphorus (TP)	6,990
Ammonia Nitrogen (NH ₃ -N)	15,100

Table 2

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Inorganic	Daily Maximum (mg/L)	Monthly Average (mg/L)
Total Arsenic	1.46	NA
Total Cadmium	0.817	NA
Total Chromium	4.0	NA
Hexavalent Chromium	0.72	NA
Total Copper	1.5	NA
Total Cyanide	1.0	NA
Total Lead	1.5	NA
Total Mercury	ND ¹	NA
Total Molybdenum	3.4	NA
Total Nickel	1.5	1.1
Total Selenium	2.3	1.67
Total Silver	620 ²	NA
Total Zinc	2.6	2.0

Organic	Daily Maximum (mg/L)	Monthly Average (mg/L)
Total Phenols	3.26	NA
Polychlorinated Biphenyls	ND ³	NA
Tetrachloroethylene	0.25	NA
Trichloroethylene	0.16	NA
MTBE	0.02	NA

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Old: Local Limits, Monthly Average (mg/L), Total Arsenic _____

New: Local Limits, Monthly Average (mg/L), Total Arsenic, "NA"

Old:

- (a) Supplementary limits were established in accordance with EPA guidance and DNRE approval criteria. Specific permit limits for BOD, Suspended Solids, and Total Phosphorous are specified by individual discharge permits and were derived from the industrial allocable portion of the MAHLs as shown below.
- (b) Also shown is a list of technically based local limits derived from the industrial allocable portion of the compatible pollutant MAHLs as limits for toxic pollutants. For Users subject to Categorical Pretreatment Standards, which include the following parameters, the following limits, if more restrictive, shall apply, both to the categorically regulated process flow as well as any other flows not specifically regulated by Categorical Pretreatment Standards. For all other dischargers these limits shall apply to the total flow from each connection to the POTW, except silver which is a process discharge limit as noted. All measurements to determine compliance with these limits shall be performed in accordance with EPA approved methods found in 40 CFR 136. The monthly average shall be the average of all samples analyzed by EPA approved methods during a calendar month.

New:

- (a) Supplementary limits were established in accordance with EPA guidance and the Michigan Department of Environmental Quality (MDEQ) approval criteria. Specific permit limits for BOD, **Total** Suspended Solids, Total Phosphorus, and **Ammonia as NH₃-N**, are specified by individual discharge permits and were derived from the industrial allocable portion of the MAHLs listed in **Table 1**.
- (b) **Table 2 contains** a list of technically based local limits derived from the industrial allocable portion of the **non-compatible** pollutant MAHLs limits for toxic pollutants. For Users subject to Categorical Pretreatment Standards, which include the following parameters, the following limits, if more restrictive, shall apply, both to the categorically regulated process flow as well as any other flows not specifically regulated by Categorical Pretreatment Standards. For all other dischargers these limits shall apply to the total flow from each connection to the POTW, except silver which is a process discharge limit as noted. All measurements to determine compliance with these limits shall be performed in accordance with EPA approved methods found in 40 CFR 136. The monthly average shall be the average of all samples analyzed by EPA approved methods during a calendar month.

Article 3, Regulations, Section 2.67 Limitations on Wastewater Strength, (3), (b),(2)

Old: (2) Process discharge limit for photo processors at end of silver recovery unit.

New: “(2) Process discharge limit for photo processors and x-ray machines sampled from discharge of silver recovery unit. The analysis of these sample matrixes, photo processing and x-ray machine wastes for silver shall be performed on an unpreserved and undigested sample or an alternative preservation and analytical method that does not interfere with the measurement of silver.”

Article 4, Discharge Permits, Sec. 2.68 Permit Application, (1)

Old: All new non-domestic Users connecting to, or discharging to, the POTW, and all existing non-domestic Users connected to, or discharging to, the POTW, shall complete a Wastewater Discharge Survey to establish whether a non-domestic User should be classified as a Significant Industrial User or require a Discharge Authorization as defined in Section 2.62 and require a discharge permit. If, upon review, the City Manager determines a permit may be required, the non-domestic User shall file a permit application which may include, but not be limited to, the following information:

New: All new non-domestic Users connecting to, or discharging to, the POTW, and all existing non-domestic Users connected to, or discharging to, the POTW, shall complete a Wastewater Discharge Survey to establish whether a non-domestic User should be classified as a Significant Industrial User or require a Discharge Authorization as defined in Section 2.62 and require a discharge permit. “**New Water service will not be initiated until a complete survey is submitted. In the case of a transfer account, water service will be disconnected if a complete survey is not submitted within 10 days of the transfer.**” If, upon review, the City Manager determines a permit may be required, the non-domestic User shall file a permit application which may include, but not be limited to, the following information:

Article 4, Discharge Permits, Sec. 2.68 Permit Application, (1)(i)(3)

Old: Not later than ten (10) days following each milestone date in the schedule and the final date for compliance, the discharger shall submit a progress report to the City Manager, including a statement as to whether or not they complied with the increment of progress represented by that milestone date and, if not, the date on which they expect to comply with this increment of progress, the reason for delay and the steps being taken by the discharger to return the construction to the approved schedule.

New: Not later than **fourteen (14)** days following each milestone date in the schedule and the final date for compliance, the discharger shall submit a progress report to the City Manager, including a statement as to whether or not they complied with the increment of progress represented by that milestone date and, if not, the date on which they expect to comply with this increment of

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progress, the reason for delay and the steps being taken by the discharger to return the construction to the approved schedule.

Article 4, Discharge Permits, Sec. 2.69 Permit Application

Old: The non-domestic User who is not required to obtain a permit is still required to re-apply prior to a significant change in discharge from that shown in the original permit application or survey.

New: All Industrial Users shall promptly notify the Control Authority (and the POTW if the POTW is not the Control Authority) in advance of any substantial change in the volume or character of pollutants in their discharge, including the listed or characteristic hazardous wastes for which the Industrial User has submitted initial notification under 40 CFR 403.12(p) and Chapter 27, Sec. 2.75(4) of the City of Grand Rapids Code.

Article 4, Discharge Permits, Sec. 2.76 Periodic Compliance Reports, (2)

Old: Reports of permittees shall contain all results of sampling and analysis of the discharge, including the flow, nature, concentration, production and/or mass, where required by the City Manager. If approved through a CROMERR compliant system reports required in discharge permits will be accepted in an electronically submitted format.

New: Reports of permittees shall contain all results of sampling and analysis of the discharge, including the flow, nature, concentration, production and/or mass, where required by the City Manager. Reports required in discharge permits will be accepted in an electronically submitted format only through an Environmental Protection Agency (EPA) approved Cross Media Electronic Reporting Regulation (CROMERR) system compliant with the Code of Federal Regulations Title 40 Part 3. CROMERR is an EPA approved system allowing states, tribes, and local governments that receives or plans to begin receiving electronic documents in lieu of paper documents to satisfy regulations under an authorized program.

Article 4, Discharge Permits, Sec. 2.78 Monitoring Facilities (1)

Old: When deemed necessary by the City Manager, each discharger shall provide and operate, at the discharger's own expense, a monitoring facility to allow inspection, representative sampling and flow measurement of each discharge to the POTW. Sampling requirement shall be flow proportional unless time proportional sampling can be demonstrated by the IU to provide a representative sample. Each monitoring facility shall be situated on the discharger's premises, except where such a location would be impractical or cause undue hardship on the discharger, the City Manager may concur with the facility being constructed in the public right-of-way providing that the facility is located so that it will not be obstructed by landscaping or parked vehicles. Upon appropriate notice by the City Manager for monitoring facilities, a compliance schedule may be issued as a permit condition.

New: When deemed necessary by the City Manager, each discharger shall provide and operate, at the discharger's own expense, a monitoring facility to allow inspection, representative sampling and flow measurement of each discharge to the POTW. Sampling requirement shall be flow proportional unless

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time proportional “**composite sampling is authorized by the Control Authority.**” Each monitoring facility shall be situated on the discharger’s premises, except where such a location would be impractical or cause undue hardship on the discharger, the City Manager may concur with the facility being constructed in the public right-of-way providing that the facility is located so that it will not be obstructed by landscaping or parked vehicles. Upon appropriate notice by the City Manager for monitoring facilities, a compliance schedule may be issued as a permit condition.

Article 4, Discharge Permits, Sec. 2.79 (2)

Old: Where a discharger has mass based limits as allowed by Federal Categorical Pretreatment Standards on a production basis, the production data necessary to determine compliance must also be available to the public. Where application of the combined waste stream formula is necessary to apply Federal Categorical Pretreatment Standards to a discharger, the flow measurements and other data used in the calculation must be available to the public.

New: Where a discharger has mass based limits as allowed by Federal Categorical Pretreatment Standards on a production basis, the production data necessary to determine compliance **shall** also be available to the public. Where application of the combined waste stream formula is necessary to apply Federal Categorical Pretreatment Standards to a discharger, the flow measurements and other data used in the calculation **shall** be available to the public.

Article 4, Discharge Permits, Sec. 2.83 Emergency Suspension of Service and Discharge Permits

Old: The City Manager may for good cause shown, suspend the sewage disposal system service and/or the Discharge Permit of a discharger when it appears that an actual or impending discharge presents or threatens an imminent or substantial danger to the health or welfare of persons or the environment, interferes with the operation of the POTW, violates any pretreatment limits or conditions imposed by this Chapter or any Discharge Permit issued pursuant to this Chapter. Any discharger notified of the suspension of sewage disposal system service and/or the discharger’s Discharge Permit shall, within a reasonable period of time, as determined by the City manager, cease all discharges. In the event of failure of the discharger to comply voluntarily with the suspension order within the specified time, the City Manager may take whatever steps are deemed necessary to eliminate the discharge, including cessation of City water service and/or shall commence judicial proceedings for injunctive relief immediately thereafter to compel the discharger’s compliance with such order. The City Manager may reinstate the Discharge Permit and/or sewage disposal system service and terminate judicial proceeding upon presentation of proof by the discharger of the elimination of the non-complying discharge or conditions creating the threat of imminent or substantial danger as set forth above.

New: The City Manager may for good cause shown, suspend the sewage disposal system service and/or the Discharge Permit of a discharger when it appears that an actual or impending discharge presents or threatens an imminent or substantial danger to the health or welfare of persons or the environment, interferes with the operation of the POTW, violates any pretreatment limits or conditions imposed by this Chapter or any Discharge Permit issued pursuant to this Chapter. Any discharger notified of the

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suspension of sewage disposal system service and/or the discharger's Discharge Permit **"shall cease all discharges immediately upon notification or as directed by the City Manager."** In the event of failure of the discharger to comply voluntarily with the suspension order within the specified time, the City Manager may take whatever steps are deemed necessary to eliminate the discharge, including cessation of City water service and/or shall commence judicial proceedings for injunctive relief immediately thereafter to compel the discharger's compliance with such order. The City Manager may reinstate the Discharge Permit and/or sewage disposal system service and terminate judicial proceeding upon presentation of proof by the discharger of the elimination of the non-complying discharge or conditions creating the threat of imminent or substantial danger as set forth above.

Article 10, Rates and Charges, Sec. 2.100, Applicability (2)

Old: A surcharge shall also be imposed on those Users who exceed normal BOD, TSS, concentrations established as provided herein.

New: A surcharge shall also be imposed on those Users who exceed normal BOD, TSS, **phosphorus and ammonia** concentrations established as provided herein.

Article 10, Rates and Charges, Sec. 2.102 2010 Surcharges, Permit, and Discharge Authorization Fees

Old: 2010 Surcharges and Permit Fees

New: 2012 Surcharges **"and Discharge Authorization Fees"**

Article 10, Rates and Charges, Sec. 2.102 2010 Surcharges, Permit, and Discharge Authorization Fees (2)

Old: The fee for a Discharge Permit as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be four hundred (400) dollars per year and an analytical fee based on Section 2.102(3).

New: The fee for a Discharge Permit **"or Discharge Authorization"** as provided for in Section 2.70 of this Chapter whether they are located within a retail service area or a bulk service area shall be four hundred (400) dollars per year and an analytical fee based on Section 2.102(3).

Article 11, Rates and Charges, Sec. 2.107 Billing Practice (1)

Old: *This section has been deleted and replaced with below.*

New: **"The current Water System Rules and Regulations shall be utilized for billing practices."**

Article 11, Rates and Charges, Sec. 2.109 Sewer Laterals and Appurtenances (5)

Old: Roof drains shall not be connected to the System. The City Manager shall order the immediate disconnection of all such connections. The owner of the premises shall be responsible for any and all costs associated with these disconnections and all costs including, but not limited to, legal and inspection service required to enforce provisions of this Chapter. Each day the owner fails to comply with such order shall constitute a separate violation of this Section.

New: Roof drains shall not be connected to the System. The City Manager shall order the immediate disconnection of all such connections. The owner of the premises shall be responsible for any and all costs associated with these disconnections and all costs including, but not limited to, legal and inspection service required to enforce provisions of this Chapter. Each day the owner fails to comply with such order shall constitute a separate violation of this Section. **“Roof drains not disconnected shall be subject to the same monthly charge as footing drains except the Dry Weather Flow (DWF) and Wet Weather Flows (WWF) shall be calculated on an individual basis. The calculation shall be the roof area in square feet multiplied by the normal rainfall (3.2 ft.) multiplied by 7.48 gals/cu ft to determine the gallons per year.”**

Article 11, Rates and Charges, Sec. 2.111 Sewer Connections, (5)

Old: Wastewater metering facilities may be installed by a User or as required by the City Manager to measure sewage discharge from the User's premises to the sanitary sewer. All such arrangements shall be made subject to acceptance by the City Manager and the expense thereof, including the installation, maintenance and operation, shall be borne by the User. Plans and specifications for the installation of any wastewater meter must be submitted to the City before actual installation begins. Such metering facilities shall meet the following criteria:

New: Wastewater metering facilities may be installed by a User or as required by the City Manager to measure sewage discharge from the User's premises to the sanitary sewer. All such arrangements shall be made subject to acceptance by the City Manager and the expense thereof, including the installation, maintenance and operation, shall be borne by the User. Plans and specifications for the installation of any wastewater meter must be **“sealed by a Michigan licensed professional engineer”** and submitted to the City before actual installation begins. Such metering facilities shall meet the following criteria:

Article 11, Rates and Charges, Sec. 2.111 Sewer Connections, (5) (b)

Old: A plan location map, which accurately shows where the primary measuring device and meter are located, shall be submitted as part of the drawings.

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New: A plan location map, which accurately shows where the primary measuring device, “flow meter and flow meter totalizer are located in relation to the facility building”, shall be submitted as part of the drawings.

Article 11, Rates and Charges, Sec. 2.111 Sewer Connections, (5) (c)

Old: Meter reading provisions shall be convenient or any existing water meter reading location.

New: Meter reading provisions shall be convenient “meter installation sites or” any existing water meter reading location.

City of Grand Rapids
WATER SYSTEM RECEIVING/OPERATIONS (ENWSS500)
STATEMENT OF OPERATIONS

Organizations	2012 Actuals	2013 Adopted	2013 Amended	2013 Adopted Estimate	2014 Adopted Proposed	2015 Adopted Forecast	2016 Adopted Forecast	2017 Adopted Forecast	2018 Adopted Forecast
REVENUE									
<u>RECEIVING/OPERATIONS (ENWSS500)</u>									
401 Taxes	0	0	0	0	0	0	0	0	0
450 Licenses And Permits	14,460	30,000	30,000	11,200	12,000	12,000	12,000	12,000	12,000
501 Intergovernmental Revenues	0	0	0	0	0	0	0	0	0
600 Charges For Services	42,306,924	41,527,791	41,527,791	43,916,722	42,784,823	43,236,228	44,120,953	45,023,371	45,943,839
655 Fines And Forfeitures	1,149,243	1,273,638	1,273,638	1,346,719	1,400,000	1,428,000	1,456,560	1,485,691	1,515,405
664 Interest And Rents	600,720	698,730	698,730	608,730	626,371	646,013	662,433	684,632	695,525
671 Other Revenue	427,750	0	0	111,500	14,000	14,280	14,566	14,857	15,154
695 Other Financing Sources	2,274,018	1,987,718	1,987,718	1,857,142	1,933,471	1,972,140	2,011,583	2,051,815	2,092,851
695 Other Financing Sources-Bond proceeds/closeouts	(3,363,696)								
RECEIVING/OPERATIONS Total Revenue	43,409,419	45,517,877	45,517,877	47,852,013	46,770,665	47,308,661	48,278,095	49,272,366	50,274,774
EXPENDITURES									
<u>RECEIVING/OPERATIONS (ENWSS500)</u>									
701 Personal Services	12,948,984	13,471,454	13,209,576	12,189,929	12,165,567	12,380,610	12,414,838	12,481,948	12,627,397
726 Supplies	2,899,222	3,021,400	3,686,848	2,637,334	2,874,150	2,930,433	2,988,862	3,048,457	3,109,244
800 Other Services And Charges	8,699,835	8,322,998	8,884,893	8,006,464	9,053,007	9,514,377	9,793,574	10,116,950	10,470,943
970 Capital Outlay	0	330,300	330,300	287,500	434,500	434,500	434,500	434,500	434,500
990 Debt Service	5,922,115	5,902,051	5,902,051	5,670,080	5,369,864	5,073,733	4,851,351	4,321,564	3,740,414
996 Appropriation Lapse	0	(1,030,000)	(1,030,000)	0	(1,020,000)	(1,055,000)	(1,075,000)	(1,083,000)	(1,117,000)
998 Transfers Out	743,226	1,064,941	1,618,980	1,357,102	1,022,957	1,053,419	1,084,790	1,117,098	1,150,370
999 Transfers Out-Capital cash projects	463,500	2,011,000	2,011,000	2,011,000	5,050,000	4,710,000	5,500,000	2,150,000	2,770,000
RECEIVING/OPERATIONS Total Expenditures	31,676,882	33,094,144	34,613,647	32,159,409	34,950,045	35,042,072	35,992,915	32,587,517	33,185,868
RECEIVING/OPERATIONS NET INCOME (LOSS)	11,732,537	12,423,733	10,904,230	15,692,604	11,820,620	12,266,589	12,285,180	16,684,849	17,088,906
<u>Other Sources & Uses of Cash</u>									
Less: Payment of Debt Service Principal	(9,110,000)	(9,610,000)	(9,610,000)	(9,825,000)	(10,445,000)	(11,085,000)	(11,680,000)	(12,655,000)	(13,080,000)
Increase (decrease) in receivables	1,422,909	0	0	0	0	0	0	0	0
Increase (decrease) in payables	(1,242,297)	0	0	0	0	0	0	0	0
Net Other Sources & Uses	(8,929,388)	(9,610,000)	(9,610,000)	(9,825,000)	(10,445,000)	(11,085,000)	(11,680,000)	(12,655,000)	(13,080,000)
Net Change in Available Cash	2,803,149	2,813,733	1,294,230	5,867,604	1,375,620	1,181,589	605,180	4,029,849	4,008,906
Unrestricted Cash - Beginning of Year	12,525,943	15,329,092	15,329,092	15,329,092	21,196,696	22,572,316	23,753,905	24,359,085	28,388,934
Unrestricted Cash - End of Year	15,329,092	18,142,826	16,623,322	21,196,696	22,572,316	23,753,905	24,359,085	28,388,934	32,397,840
Reserve Targets:									
Assigned to Reserves - 25% of Current Spending	10,196,720	10,676,036	11,055,912	10,496,102	11,348,761	11,531,768	11,918,229	11,310,629	11,566,467
Unassigned Cash	5,132,372	7,466,790	5,567,410	10,700,594	11,223,555	12,222,137	12,440,856	17,078,305	20,831,373
Total	15,329,092	18,142,826	16,623,322	21,196,696	22,572,316	23,753,905	24,359,085	28,388,934	32,397,840
Unassigned Cash as a % of Total Current Spending	12.58%	17.48%	12.59%	25.49%	24.72%	26.50%	26.10%	37.75%	45.03%

City of Grand Rapids
WATER SYSTEM RECEIVING/OPERATIONS (ENWSS500)
STATEMENT OF OPERATIONS

Organizations	2012 Actuals	2013 Adopted	2013 Amended	2013 Adopted Estimate	2014 Adopted Proposed	2015 Adopted Forecast	2016 Adopted Forecast	2017 Adopted Forecast	2018 Adopted Forecast
NET EARNINGS OF THE SYSTEM (1)	21,193,155	20,336,784	18,817,281	23,373,684	22,240,484	22,050,322	22,636,531	23,156,413	23,599,320
CASH BASIS DEBT SERVICE-SENIOR	14,892,528	15,069,828	15,069,828	15,069,828	15,442,333	15,539,396	15,523,634	15,612,134	15,481,134
DEBT COVERAGE RATIO-SENIOR DEBT	1.42	1.35	1.25	1.55	1.44	1.42	1.46	1.48	1.52
CASH BASIS DEBT SERVICE-JUNIOR				300,954	534,775	816,175	1,250,850	1,629,963	1,634,200
DEBT COVERAGE RATIO-ALL DEBT				1.52	1.39	1.35	1.35	1.34	1.38

(1) Pursuant to Bond Ordinance definition of Net Earnings, does not include debt service or transfers for capital projects.

Supplemental Detail:

999	Transfers Out (A-87 Cost Allocation)	717,456	1,041,286	1,041,286	1,041,286	1,000,266	1,030,274	1,061,182	1,093,018	1,125,808
999	Transfers Out (Development Center)	25,770	23,655	23,655	23,655	22,691	23,145	23,608	24,080	24,561
999	Transfers Out (BA13-6: 311 Start-Up Costs)	0	0	554,039	292,161	0	0	0	0	0
999	Transfers Out (Capital Projects)	463,500	2,011,000	2,011,000	2,011,000	5,050,000	4,710,000	5,500,000	2,150,000	2,770,000
		<u>1,206,726</u>	<u>3,075,941</u>	<u>3,629,980</u>	<u>3,368,102</u>	<u>6,072,957</u>	<u>5,763,419</u>	<u>6,584,790</u>	<u>3,267,098</u>	<u>3,920,370</u>
695	Other Financing Sources - Bond (SRF) Proceeds	(2,629,222)	0	0	0	0	0	0	0	0
695	Other Financing Sources - Op Trans-In (Transfer Bond Rev	(758,835)	0	0	0	0	0	0	0	0
695	Other Financing Sources - Op Trans-In (Cap Project Close)	24,361	0	0	0	0	0	0	0	0
695	Other Financing Sources - Op Trans-In (ICB From SDS)	94,303	0	0	0	0	0	0	0	0
695	Other Financing Sources - Op Trans-In (Water Billing Svc)	2,179,715	1,987,718	1,987,718	1,857,142	1,933,471	1,972,140	2,011,583	2,051,815	2,092,851
		<u>(1,089,678)</u>	<u>1,987,718</u>	<u>1,987,718</u>	<u>1,857,142</u>	<u>1,933,471</u>	<u>1,972,140</u>	<u>2,011,583</u>	<u>2,051,815</u>	<u>2,092,851</u>

WATER SUPPLY SYSTEM
FY2014 OPERATING BUDGET REQUEST
 May 9, 2013

COST CENTER	FY10 ACTUAL	FY11 ACTUAL	-----FY12----- BUDGET (1) ACTUAL		-----FY13----- REQUEST AMENDED (2) ESTIMATE			FY14 REQUEST
ADMINISTRATION	\$ 2,651,260	\$ 2,379,507	\$ 2,424,322	\$ 2,425,328	\$ 2,867,371	\$ 2,899,582	\$ 2,762,908	\$ 3,068,164
CUSTOMER SERVICE	5,666,977	5,684,859	6,092,674	5,276,138	4,836,613	5,490,373	4,474,921	4,263,332
ENGINEERING	1,240,430	1,002,590	1,391,054	1,050,412	1,199,018	1,367,103	1,072,456	1,116,833
COLDBROOK CONTROL	1,377,300	1,419,678	1,620,492	1,317,445	1,346,400	1,346,400	1,305,925	1,379,357
COLDBROOK DISTRIBUTION	2,108,422	2,216,498	2,772,909	2,189,875	2,634,009	2,634,009	2,309,274	2,646,604
FIELD OPERATIONS	6,376,239	6,206,200	7,014,749	5,767,082	5,737,544	6,402,991	5,329,179	5,582,897
FILTRATION	7,078,759	6,915,345	7,548,367	6,823,168	7,105,831	7,105,831	6,770,723	7,046,721
TREASURER	418,296	321,557	537,026	421,578	456,506	456,506	432,943	419,472
ENERGY & SUSTAINABILITY		12,503	29,300	20,242	27,800	27,800	20,000	26,800
LAPSE (ADMIN) (3)			(1,065,000)		(1,030,000)	(1,030,000)		(1,020,000)
10% REDUCTION-COMPENSATION			(1,474,622)					
SUBTOTAL	26,917,683	26,158,737	26,891,271	25,291,267	25,181,092	26,700,596	24,478,329	24,530,180
COMPARISON TO FY12 FINAL BUDGET - % CHANGE								-8.78%
COMPARISON TO FY12 ACTUAL - % CHANGE								-3.21%
COMPARISON TO FY13 REQUESTED BUDGET - % CHANGE								-2.79%
COMPARISON TO FY13 AMENDED BUDGET - % CHANGE								-8.13%
INTEREST (ADMIN)	7,600,227	5,668,529	6,821,831	5,922,115	5,902,051	5,902,051	5,670,080	5,369,864
TRANSFERS-CASH PROJECTS			225,000	463,500	2,011,000	2,011,000	2,011,000	5,050,000
TOTAL	\$ 34,517,910	\$ 31,827,266	\$ 33,938,102	\$ 31,676,882	\$ 33,094,143	\$ 34,613,647	\$ 32,159,409	\$ 34,950,044
FY14 TOTAL REQUESTED EXPENDITURES IN FY12 PLAN								38,645,047
LESS: 8.2% REDUCTION IN TOTAL COMPENSATION								(1,363,336)
LESS: INTEREST EXPENSE								(6,182,402)
LESS: TRANSFERS-CAPITAL CASH PROJECTS								(3,475,000)
								\$ 27,624,309
FY14 OPERATING BUDGET REQUEST (BEFORE INTEREST & TRANSFERS-CASH PROJECTS)								\$ 24,530,180
TRANSFORMATION SAVINGS								\$ 3,094,129
TRANSFORMATION SAVINGS %								11.2%

- 1) Final budget.
 2) Amended budget through BA #13-9.
 3) Lapse calculated at 4% of total Water Dept. budget without interest and capital transfers.

WATER SUPPLY SYSTEM
CAPITAL BUDGET PROJECTS REPORT

Fiscal Year	Project #	Project Name	Revenue Amount	Cash Funds	Bond Funds	Zone	gating
2014	1343	Eastside Combined Sewer Overflow - Contract No. 21	\$ 700,000	\$ 700,000		GR-100%	
2014	1344	Eastside Combined Sewer Overflow - Contract No. 22	650,000	650,000		GR-100%	
2014	1375	Watermain Oversizing	50,000	50,000		N/A	
2014	1404	Lake Michigan Filtration Plant - Replace Filter Cells 3, 5, 7 & 9 (DWRP)	2,200,000		2,200,000	Integrated	
2014	2051	Water Customer Service- Cayenta interface development and implementation	525,000	525,000		Integrated	
2014	2453	Livingston Pumping Station - Second Discharge Line from, Contract No. 1 (DWRP)	550,000		550,000	GR-82% GRT-8% K-5% A-4% C-1%	
2014	2623	LMFP - Concrete Repair Phase 5 (DWRP)	500,000		500,000	Integrated	
2014	2801	Coldbrook Supervisory Control and Data Acquisition	2,000,000	2,000,000		Integrated	
2014	3154	LMFP - HVAC Improvements	200,000	200,000		Integrated	
2014	3258	Maynard Ave watermain - Vet's Drive to 3200' north	575,000	575,000		W-100%	
2014	3261	Elmridge Avenue - Westwinde Drive to 3 Mile Road	250,000	250,000		GR-50% W-50%	
2014	3376	Water System - Site Security Upgrades	100,000	100,000		Integrated	
2014	TOTALS		\$ 8,300,000	\$ 5,050,000	\$ 3,250,000		
2015	1327	Bostwick Avenue - Lyon Street to Crescent Street	\$ 175,000	\$ 175,000		GR-100%	
2015	1348	Eastside Combined Sewer Overflow - Contract No. 27	1,205,000	1,205,000		GR-100%	
2015	1370	State Street - Jefferson Avenue to Lafayette Avenue	150,000	150,000		GR-100%	
2015	1375	Watermain Oversizing	50,000	50,000		N/A	
2015	1391	Millbank St - Giddings to Newcastle and Derbyshire - Giddings to Newcastle	300,000	300,000		GR-100%	
2015	1393	Wilson Pump Station improvements (DWRP)	771,000		771,000	W-74% GR-23% T-3%	
2015	1397	LMFP - master electrical control panels	50,000	50,000		Integrated	
2015	1415	Franklin pumps 1 & 3, motor starters and low service pump VFD's	1,000,000	1,000,000		Franklin Station Integration	
2015	1853	Four Mile Road Elevated Storage Tank - Construction (DWRP)	1,900,000		1,900,000	W-100%	
2015	1855	Four Mile Road Watermain - design and construction (DWRP)	2,000,000		2,000,000	W-100%	
2015	2453	Livingston Pumping Station - Second Discharge Line from, Contract No. 1 (DWRP)	5,755,000		5,755,000	GR-82% GRT-8% K-5% A-4% C-1%	
2015	3150	LMFP - Low Lift Pumps 1 and 2 High Efficiency Motor Upgrades	80,000	80,000		Integrated	
2015	3152	LMFP - High Service Pumps #4 and #6 - VFD and Motor starter replacement	750,000	750,000		Integrated	
2015	3159	Watermain Lining Maintenance	250,000	250,000		GR-100%	
2015	3339	Greenbrier Subdivision watermain replacement	500,000	500,000		GRT-100%	
2015	3460	Water System - Annual Efficiency and Sustainability Projects	200,000	200,000		NOT YET KNOWN	
2015	TOTALS		\$ 15,136,000	\$ 4,710,000	\$ 10,426,000		
2016	1375	Watermain Oversizing	\$ 50,000	\$ 50,000		N/A	
2016	1383	Monroe tank valves	100,000	100,000		Integrated	
2016	2428	North Lake Line - Full Condition Assessment and easement acquisition	500,000	500,000		Integrated	
2016	2434	Adams and Alger Pressure districts Modifications	1,600,000	1,600,000		GR-100%	
2016	2569	Eastside Combined Sewer Overflow - Contract No. 28	1,800,000	1,800,000		GR-100%	
2016	3157	LMFP - Replace High Service Pump #7	1,000,000	1,000,000		Integrated	
2016	3159	Watermain Lining Maintenance	250,000	250,000		GR-100%	
2016	3460	Water System - Annual Efficiency and Sustainability Projects	200,000	200,000		NOT YET KNOWN	
2016	TOTALS		\$ 5,500,000	\$ 5,500,000	\$ -		
2017	1375	Watermain Oversizing	\$ 50,000	\$ 50,000		N/A	
2017	1426	Garfield Avenue - Butterworth Avenue to Fulton Street	750,000	750,000		GR-100%	
2017	1821	Nason - Will to Turner	200,000	200,000		GR-100%	
2017	2457	Livingston Pumping Station - Second Discharge Line from, Contract No. 2 (DWRP)	2,815,000		2,815,000	GR-82% GRT-8% K-5% A-4% C-1%	
2017	2468	Livingston Pumping Station - Second Discharge Line from, Contract No. 3 (DWRP)	1,850,000		1,850,000	GR-82% GRT-8% K-5% A-4% C-1%	
2017	3159	Watermain Lining Maintenance	250,000	250,000		GR-100%	
2017	3344	LMFP - LL Traffic Safety Improvements	100,000	100,000		Integrated	
2017	3346	LMFP - Accelerator Conversion and Residual Improvement	200,000		200,000	Integrated	
2017	3460	Water System - Annual Efficiency and Sustainability Projects	200,000	200,000		NOT YET KNOWN	
2017	1842	Wealthy Street - US131 to Division Avenue	600,000	600,000		GR-100%	
2017	TOTALS		\$ 7,015,000	\$ 2,150,000	\$ 4,865,000		
2018	1406	Albany St - Buchanan to Division; Ionia - Albany to Shelby; and Shelby	\$ 500,000	\$ 500,000		GR-100%	
2018	1418	Cascade north river crossing (DWRP)	3,600,000		3,600,000	C-100%	
2018	1423	Langley Street - Plymouth Avenue to Kalamazoo Avenue, Watermain Replacement	325,000	325,000		GR-100%	
2018	1425	Forrester Street - Kalamazoo Avenue to 600' East	130,000	130,000		GR-100%	
2018	1431	Garfield Avenue - Leonard Street to Crosby Street and 11th Street to 12th Street	300,000	300,000		GR-100%	
2018	2035	Godfrey Avenue - Oxford Street to Market Avenue	100,000	100,000		GR-100%	
2018	2041	Godfrey Avenue - Liberty Street to Oxford Street	90,000	90,000		GR-100%	
2018	3159	Watermain Lining Maintenance	250,000	250,000		GR-100%	
2018	3346	LMFP - Accelerator Conversion and Residual Improvement	12,000,000		12,000,000	Integrated	
2018	3351	LMFP - Brick Facade Improvements	125,000	125,000		Integrated	
2018	3354	LMFP - High Service Pumps #8 and #11 - VFD's	750,000	750,000		Integrated	
2018	3460	Water System - Annual Efficiency and Sustainability Projects	200,000	200,000		NOT YET KNOWN	
2018	TOTALS		\$ 18,370,000	\$ 2,770,000	\$ 15,600,000		
2014-2018	GRAND TOTALS		\$ 54,321,000	\$ 20,180,000	\$ 34,141,000		

City of Grand Rapids
SEWAGE SYSTEM RECEIVING/OPERATIONS (ENSDS500)
STATEMENT OF OPERATIONS

Organizations	2012 Actuals	2013 Adopted	2013 Amended	2013 Adopted Estimate	2014 Adopted Proposed	2015 Adopted Forecast	2016 Adopted Forecast	2017 Adopted Forecast	2018 Adopted Forecast
REVENUE									
<u>RECEIVING/OPERATIONS (ENSDS500)</u>									
401 Taxes	0	0	0	0	0	0	0	0	0
450 Licenses And Permits	48,814	62,000	62,000	61,400	65,800	68,900	68,900	68,900	68,900
501 Intergovernmental Revenues	0	0	0	0	0	0	0	0	0
600 Charges For Services	51,570,276	52,375,155	52,375,155	51,868,498	51,784,538	52,870,975	53,897,867	55,049,510	56,097,703
655 Fines And Forfeitures	0	0	0	0	0	0	0	0	0
664 Interest And Rents	161,995	175,000	175,000	120,000	120,000	130,000	140,000	150,000	150,000
671 Other Revenue	1,774,228	665,000	665,000	708,994	740,000	745,000	755,000	760,000	765,000
695 Other Financing Sources-Bond proceeds/closeouts	(3,000,548)	0	0	0	0	0	0	0	0
RECEIVING/OPERATIONS Total Revenue	50,554,765	53,277,155	53,277,155	52,758,892	52,710,338	53,814,875	54,861,767	56,028,410	57,081,603
EXPENDITURES									
<u>RECEIVING/OPERATIONS (ENSDS500)</u>									
701 Personal Services	8,826,740	9,672,441	9,672,441	9,288,194	9,774,859	9,979,319	10,031,799	10,101,757	10,222,356
726 Supplies	1,312,386	1,522,801	1,522,801	1,238,612	1,430,093	1,352,078	1,362,675	1,366,685	1,374,001
800 Other Services And Charges	10,983,195	12,052,790	15,388,344	13,003,581	12,350,361	12,482,462	12,753,737	13,000,896	13,305,276
970 Capital Outlay	0	233,500	233,500	153,050	211,000	216,000	216,000	216,750	217,519
990 Debt Service	12,007,136	13,566,217	13,566,217	12,694,107	12,779,776	12,698,986	13,615,555	13,250,022	12,866,716
996 Appropriation Lapse	0	(1,053,000)	(1,053,000)	0	(1,036,000)	(1,048,000)	(1,064,000)	(1,079,000)	(1,099,000)
999 Transfers Out	2,862,983	2,150,810	2,150,810	2,020,234	2,568,842	2,626,572	2,685,648	2,746,102	2,807,967
999 Transfers Out-Capital cash projects	3,010,000	6,326,000	6,326,000	1,495,000	60,000	565,000	600,000	1,860,000	1,100,000
RECEIVING/OPERATIONS Total Expenditures	39,002,440	44,471,559	47,807,113	39,892,778	38,138,931	38,872,417	40,201,414	41,463,212	40,794,835
RECEIVING/OPERATIONS NET INCOME (LOSS)	11,552,325	8,805,596	5,470,042	12,866,114	14,571,407	14,942,458	14,660,353	14,565,198	16,286,768
Other Sources & Uses of Cash									
Less: Payment of Debt Service Principal	(8,290,280)	(8,697,129)	(8,697,129)	(8,748,629)	(9,882,776)	(8,569,094)	(7,973,709)	(8,147,000)	(8,305,000)
Increase (decrease) in receivables	2,756,064	0	0	0	0	0	0	0	0
Increase (decrease) in payables	(1,155,914)	0	0	0	0	0	0	0	0
Net Other Sources & Uses	(6,690,130)	(8,697,129)	(8,697,129)	(8,748,629)	(9,882,776)	(8,569,094)	(7,973,709)	(8,147,000)	(8,305,000)
Net Change in Available Cash	4,862,195	108,467	(3,227,087)	4,117,485	4,688,631	6,373,364	6,686,644	6,418,198	7,981,768
Unrestricted Cash - Beginning of Year	12,019,918	16,882,113	16,882,113	16,882,113	20,999,598	25,688,229	32,061,592	38,748,236	45,166,434
Unrestricted Cash - End of Year	16,882,113	16,990,579	13,655,025	20,999,598	25,688,229	32,061,592	38,748,236	45,166,434	53,148,202
Reserve Targets:									
Assigned to Reserves - 25% of Current Spending	11,823,180	13,292,172	14,126,061	12,160,352	12,005,427	11,860,378	12,043,781	12,402,553	12,274,959
Unassigned Cash	5,058,933	3,698,407	(471,035)	8,839,246	13,682,802	20,201,214	26,704,456	32,763,881	40,873,243
Total	16,882,113	16,990,579	13,655,025	20,999,598	25,688,229	32,061,592	38,748,236	45,166,434	53,148,202
Unassigned Cash as a % of Total Current Spending	10.70%	6.96%	-0.83%	18.17%	28.49%	42.58%	55.43%	66.04%	83.25%

City of Grand Rapids
SEWAGE SYSTEM RECEIVING/OPERATIONS (ENSDS500)
STATEMENT OF OPERATIONS

Organizations	2012 Actuals	2013 Adopted	2013 Amended	2013 Adopted Estimate	2014 Adopted Proposed	2015 Adopted Forecast	2016 Adopted Forecast	2017 Adopted Forecast	2018 Adopted Forecast
NET EARNINGS OF THE SYSTEM (1)	28,434,872	28,697,813	25,362,259	27,055,221	27,411,183	28,206,444	28,875,908	29,675,220	30,253,484
CASH BASIS DEBT SERVICE-SENIOR	16,494,970	18,153,177	18,153,177	16,774,503	18,415,014	18,683,995	20,126,008	20,643,627	20,647,252
DEBT COVERAGE RATIO-SENIOR DEBT	1.72	1.58	1.40	1.61	1.49	1.51	1.43	1.44	1.47
CASH BASIS DEBT SERVICE-JUNIOR	3,737,713	4,021,406	4,021,406	4,104,069	4,127,903	2,479,594	1,116,732	938,488	724,350
DEBT COVERAGE RATIO-ALL DEBT	1.41	1.29	1.14	1.30	1.22	1.33	1.36	1.37	1.42

(1) Pursuant to Bond Ordinance definition of Net Earnings, does not include debt service or transfers for capital projects.

Supplemental Detail:

999 Transfers Out (A-87 Cost Allocation)	573,231	163,092	163,092	163,092	635,371	654,432	674,065	694,287	715,116
999 Transfers Out (Development Center)	13,867	0	0	0	0	0	0	0	0
999 Transfers Out (ICB BA)	94,303	0	0	0	0	0	0	0	0
999 Transfers Out (BA12-19 / LEAN A-3)	1,867	0	0	0	0	0	0	0	0
999 Transfers Out (Capital Projects)	3,010,000	6,326,000	6,326,000	1,495,000	60,000	565,000	600,000	1,860,000	1,100,000
999 Transfers Out (Water Billing Service)	2,179,715	1,987,718	1,987,718	1,857,142	1,933,471	1,972,140	2,011,583	2,051,815	2,092,851
	<u>5,872,983</u>	<u>8,476,810</u>	<u>8,476,810</u>	<u>3,515,234</u>	<u>2,628,842</u>	<u>3,191,572</u>	<u>3,285,648</u>	<u>4,606,102</u>	<u>3,907,967</u>
695 Other Financing Sources - Bond (SRF) Proceeds	(3,813,243)	0	0	0	0	0	0	0	0
695 Other Financing Sources - Op Trans-In (Subsidy)	812,695	0	0	0	0	0	0	0	0
	<u>(3,000,548)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEWAGE DISPOSAL SYSTEM
FY2014 OPERATING BUDGET REQUEST
May 9, 2013

COST CENTER	FY10 ACTUAL	FY11 ACTUAL	FY12		FY13			FY14 REQUEST
			BUDGET (1)	ACTUAL	REQUEST	AMENDED (2)	ESTIMATE	
ADMINISTRATION	\$ 2,359,006	\$ 2,110,946	\$ 1,917,588	\$ 1,623,527	\$ 1,269,354	\$ 1,269,354	\$ 1,199,793	\$ 1,902,980
CUSTOMER SERVICES	2,101,817	1,895,126	2,024,711	2,179,715	1,987,718	1,987,718	1,857,142	1,933,471
WASTEWATER TREATMENT	16,118,258	15,565,991	18,216,769	15,286,119	17,269,652	19,554,022	17,141,175	17,244,199
SS REPAIR & MAINT	4,611,791	4,630,631	6,335,667	4,875,701	5,077,818	6,129,002	5,485,561	5,227,705
ENERGY & SUSTAINABILITY		12,799	29,300	20,242	27,800	27,800	20,000	26,800
LAPSE (ADMIN) (3)			(1,030,000)		(1,053,000)	(1,053,000)		(1,036,000)
10% REDUCTION-COMPENSATION			(996,746)					
SUBTOTAL	25,190,872	24,215,493	26,497,289	23,985,304	24,579,342	27,914,896	25,703,671	25,299,155

COMPARISON TO FY12 FINAL BUDGET - % CHANGE	-4.52%
COMPARISON TO FY12 ACTUAL - % CHANGE	7.16%
COMPARISON TO FY13 REQUESTED BUDGET - % CHANGE	4.57%
COMPARISON TO FY13 AMENDED BUDGET - % CHANGE	-9.37%

DEBT SERVICE (ADMIN)	10,403,762	11,239,789	12,607,019	12,007,136	13,566,217	13,566,217	12,694,107	12,779,776
TRANSFERS-CASH PROJECTS			3,010,000	3,010,000	6,326,000	6,326,000	1,495,000	60,000
TOTAL	\$ 35,594,634	\$ 35,455,282	\$ 42,114,308	\$ 39,002,440	\$ 44,471,559	\$ 47,807,113	\$ 39,892,778	\$ 38,138,931

FY14 TOTAL REQUESTED EXPENDITURES IN FY12 PLAN	44,978,526
LESS: 8.2% REDUCTION IN TOTAL COMPENSATION	(914,653)
LESS: INTEREST EXPENSE	(14,092,162)
LESS: TRANSFERS-CAPITAL CASH PROJECTS	(2,495,000)
	\$ 27,476,711

FY14 OPERATING BUDGET REQUEST (BEFORE INTEREST & TRANSFERS-CASH PROJECTS)	\$ 25,299,155
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TRANSFORMATION SAVINGS	\$ 2,177,556
TRANSFORMATION SAVINGS %	7.9%

- 1) Final budget.
- 2) Amended budget through BA #13-9.
- 3) Lapse calculated at 4% of total Sewer Dept. budget without interest and capital transfers.

SEWAGE DISPOSAL SYSTEM
CAPITAL BUDGET PROJECTS REPORT

Fiscal Year	Project #	Project Name	Revenue Amount	Cash Funds	Bond Funds	Zonegating
2014	1379	Silver Creek Sanitary Trunk Sewer Improvements	\$ 250,000		\$ 250,000	GR-75% EGR-25%
2014	3324	Information Management System	100,000		100,000	GR-100%
2014	2621	Robinhood Lift Station Upgrade / replacement	530,000		530,000	GRT-100%
2014	3261	Elmridge Avenue - Westwinde Drive to 3 Mile Road	250,000		250,000	GR-100%
2014	3323	ESD - Laboratory Management System	150,000		150,000	GR-100%
2014	1344	Eastside Combined Sewer Overflow - Contract No. 22	2,500,000		2,500,000	GR-100%
2014	3300	Flow distribution Structure - WWTP	100,000		100,000	GR-100%
2014	1343	Eastside Combined Sewer Overflow - Contract No. 21	5,300,000		5,300,000	GR-100%
2014	1382	Replace WWTP Perimeter Fencing	250,000		250,000	Integrated
2014	3319	Sanitary Sewer Manhole Combination/Split re-construction	200,000		200,000	GR-100%
2014	3325	Volatile Organic Autosampler with purge and trap unit	40,000	40,000		GR-100%
2014	3318	HVAC Impr using ESCO (Energy Savings Companies) audit results at the WWTP	200,000		200,000	GR-100%
2014	1374	CIPP Rehab of Sanitary Sewers - Various Sites	600,000		600,000	GR-100%
2014	1412	Plant Security System Improvements	250,000		250,000	Integrated
2014	2622	Shorehaven Lift Station Upgrade / Replacement	20,000	20,000		GRT-100%
2014		TOTALS	\$ 10,740,000	\$ 60,000	\$ 10,680,000	
2015	2453	Livingston Pumping Station - Second Discharge Line from, Contract No. 1 (DWRf)	\$ 3,045,000		\$ 3,045,000	GR-100%
2015	2569	Eastside Combined Sewer Overflow - Contract No. 28	200,000		200,000	GR-100%
2015	1749	Long Term Wet Weather Control Program	750,000		750,000	Integrated
2015	3300	Flow distribution Structure - WWTP	2,000,000		2,000,000	GR-100%
2015	1327	Bostwick Avenue - Lyon Street to Crescent Street	150,000	150,000		GR-100%
2015	1348	Eastside Combined Sewer Overflow - Contract No. 27	3,465,000		3,465,000	GR-100%
2015	1374	CIPP Rehab of Sanitary Sewers - Various Sites	600,000		600,000	GR-100%
2015	1379	Silver Creek Sanitary Trunk Sewer Improvements	5,000,000		5,000,000	GR-75% EGR-25%
2015	1370	State Street - Jefferson Avenue to Lafayette Avenue	150,000	150,000		GR-100%
2015	2453	Livingston Pumping Station - Second Discharge Line from, Contract No. 1 (DWRf)	265,000	265,000		GR-100%
2015	2622	Shorehaven Lift Station Upgrade / Replacement	256,000		256,000	GRT-100%
2015		TOTALS	\$ 15,881,000	\$ 565,000	\$ 15,316,000	
2016	1746	Plaster Creek Sanitary Trunk Sewer	\$ 1,200,000		\$ 1,200,000	K-59% C-14% A-9% GR-9% GRT-5%
2016	1374	CIPP Rehab of Sanitary Sewers - Various Sites	600,000	600,000		GR-100%
2016	1749	Long Term Wet Weather Control Program	5,000,000		5,000,000	Integrated
2016	2569	Eastside Combined Sewer Overflow - Contract No. 28	3,200,000		3,200,000	GR-100%
2016		TOTALS	\$ 10,000,000	\$ 600,000	\$ 9,400,000	
2017	1746	Plaster Creek Sanitary Trunk Sewer	\$ 6,750,000		\$ 6,750,000	K-59% C-14% A-9% GR-9% GRT-5%
2017	2468	Livingston Pumping Station - Second Discharge Line from, Contract No. 3 (DWRf)	875,000		875,000	GR-100%
2017	1374	CIPP Rehab of Sanitary Sewers - Various Sites	600,000	600,000		GR-100%
2017	2457	Livingston Pumping Station - Second Discharge Line from, Contract No. 2 (DWRf)	1,260,000	1,260,000		GR-100%
2017	1842	Wealthy Street - US131 to Division Avenue	200,000		200,000	GR-100%
2017		TOTALS	\$ 9,685,000	\$ 1,860,000	\$ 7,825,000	
2018	2035	Godfrey Avenue - Oxford Street to Market Avenue	\$ 200,000	\$ 200,000		GR-100%
2018	1374	CIPP Rehab of Sanitary Sewers - Various Sites	600,000	600,000		GR-100%
2018	2035	Godfrey Avenue - Oxford Street to Market Avenue	7,700,000		7,700,000	GR-100%
2018	1746	Plaster Creek Sanitary Trunk Sewer	6,750,000		6,750,000	K-59% C-14% A-9% GR-9% GRT-5%
2018	2041	Godfrey Avenue - Liberty Street to Oxford Street	3,090,000		3,090,000	GR-100%
2018	2508	Broadway Sanitary Trunk Sewer	100,000	100,000		GR-100%
2018	2041	Godfrey Avenue - Liberty Street to Oxford Street	200,000	200,000		GR-100%
2018		TOTALS	\$ 18,640,000	\$ 1,100,000	\$ 17,540,000	
2014-2018		GRAND TOTALS	\$ 64,946,000	\$ 4,185,000	\$ 60,761,000	

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: April 12, 2013

TO: Utility Advisory Board

FROM: Pam Ritsema
Managing Director, Enterprise Services

SUBJECT: Collection Stream Changes

Water customer service front line staff came to Water Management, asking if the collection stream for residential accounts could be improved to be easier to administer and to be more easily understood by customers. They made a recommendation for configuration changes that will result in more efficient employee training, simplified billing and explanations to customers, reduced system administration time and costs, simplified future reporting processes, and streamlined integration with external systems, including 311. **These changes will only affect the customers who pay late.**

1. When a bill is past due, the customer will receive a 10% late fee that is charged on total current charges.
 - a. Why: Our business policy states that if you have not paid your entire bill, or taken advantage of the monthly payment option, by 21 days you are late. The penalty event will now occur once per quarter, rather than up to three times (once per month) in a quarter. This change will make the process consistent with the rules and regulations and with the water / sewer rate study. This will also make the handling of commercial and residential accounts consistent as this process has always been in place for commercial accounts.
 - b. What does this mean:
 - The 10% late fee will only be charged if the bill, or monthly payment option, is not paid by 21 days and will be assessed on total current charges.
 - All bills have a prominent bill message that states: *"Past due accounts will be assessed a 10% late fee on the total current charges and applicable fees"*.
 - If a customer makes their first payment, and then miss their subsequent payments, we give them a grace until the next bill period. At that time, they must pay the past due amount and at least their monthly option for the new bill. If they don't they will get a 10% penalty on only their new bill

charges. To prevent anyone from taking unfair advantage of this extended grace, it is unpublicized.

- c. Example: The average residential quarterly water / sewer bill in Grand Rapids is \$169. The late payment penalty would equate to \$16.90. Prior to this change if you were late, you were assessed a penalty of \$5.63 when you missed the first month payment, \$5.63 when you missed the 2nd month bill payment and \$5.64 when you missed the 3rd month payment (totaling \$16.90).
2. Created a past due / cutoff notice to be sent after non-payment on day 21.
- a. Why: This will allow customers to receive a Notice informing them of the amount that is past due and if they are eligible for cutoff.
 - b. What does this mean: Customers who have not paid will receive a notice that will state amount due (including late fee). If the customer is eligible for cutoff the notice will also include the date they will be eligible and the amount owing if not paid by that time (including processing fee). The notice will be sent in lieu of reminder statements as once the bill is past due the customer no longer qualifies for the monthly payment option. This will eliminate the problem of reminder monthly statements going out at the same time we were sending maintenance crews to cut off their water. Also, we were confusing customers by sending both a reminder statement to pay 2/3 of their quarterly bill and at the same time cutting off their service.

Notice on bill:

Past due accounts will be assessed a 10% late fee on the total current charges and applicable fees.

Return this portion with payment. Make checks payable to Grand Rapids City Treasurer.

If one of the payment options below is not received on or before the due date, your service is eligible for cutoff.

**Water/Sewer UAB Report
April 2013**

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Trench Repairs over Water and Sewer Lines, Curb Repair, Parking Lot Repair, and Traffic Calming at VARIOUS LOCATIONS – Contract No. 2013-1	Lodestar Construction, Inc.	4/30/2013	N/A	6/30/2014	\$443,250.00	\$49,050.00	2014	O&M
Trench Repairs over Water and Sewer Lines at VARIOUS LOCATIONS – Contract No. 2013-2	Lodestar Construction, Inc.	4/30/2013	N/A	6/30/2014	\$463,110.00	\$51,515.00	2014	O&M
Reconstruction of TAYLOR AVENUE from Coldbrook St to Grove St, GROVE STREET from Taylor Ave to Plainfield Ave, GROVE PLACE from Grove St to Grove Ct, GROVE COURT from Grove Pl to 150' W of Grove Pl, HOWLAND STREET (VACATED) from 150'W of Taylor Ave to Taylor Ave, PLAINFIELD AVENUE from Coldbrook St to Taylor Ave; FAIRBANKS STREET from Bond Avenue Alley to Ottawa Avenue Alley and OTTAWA AVENUE ALLEY from Hastings St to Trowbridge St	Wyoming Excavators, Inc.	4/30/2013	11/8/2013	11/22/2013	\$696,000.00	\$1,502,401.06	2014	Non-Integrated



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: April 23, 2013

TO: Gregory A. Sundstrom, City Manager

FROM: Jana M. Wallace, Debt & Authority Finance Officer

SUBJECT: Report of Bond Sale – \$37,830,000 Sanitary Sewer System
Revenue Refunding Bonds, Series 2013

On Thursday, April 18, 2013 the City priced the above bonds which included \$4,273,709.90 for the Debt Service Reserve Fund deposit. The remaining proceeds will be used to refund the City's Sanitary Sewer System ("SSS") Revenue Bonds, Series 2004 bonds maturing on January 1 in the years 2015 to 2017, inclusive, and on January 1, 2028, and January 1, 2034; and to pay the costs to issue the bonds. The issue will close and funds will be available on Thursday, May 16, 2013.

On April 9, 2013 when City Commission approved the Series Ordinance, it was estimated the net present value ("NPV") savings for this refunding issue would be nearly 9%, which exceeded the City's 5% NPV refunding threshold. During the days preceding the April 18 pricing, municipal bond market conditions changed with the result that the refunding obtained 12.8% NPV savings. The Sewer System's nominal savings will average \$169,139 per year for all maturities except in FY2014 where the annual savings will be \$429,747 and in FY2022 where the annual savings will be nearly \$2.2 million.

The bonds were underwritten by the selling team of Citigroup Global Markets Inc., Loop Capital Markets, Siebert Brandford Shank & Co., LLC, and JJB Hilliard, WL Lyons LLC at an all-in true interest cost of 3.339231%. The bond sizing includes costs of issuance including bond and underwriters' counsels, rating agency, printing, staff time, verification agent, trustee, and auditor fees as well as compensation for the underwriting team for marketing the issue.

The filing of a report disclosing the following information to the City Commission is required:

- | | | |
|----|---------------------------|-------------------------|
| A. | Date of Issue | May 16, 2013 |
| | Manner of Sale | Negotiated |
| | Principal Amount | \$37,830,000 |
| | Maturity Schedule | 01/01/2014 – 01/01/2034 |
| B. | Sources and Uses of Funds | See Attachment 1 |
| C. | Interest Rates | See Attachment 2 |
| D. | Credit Facility | None |
| E. | Date of Redemption | July 1, 2014 |

Attachments

Apr 23, 2013 6:00 pm Prepared by Citi

(Finance 7.001 (2013.3.15)_Grand Rapids:2013FIN)

Sources and Uses of Funds
City of Grand Rapids, Michigan
2013 Financing
Sanitary Sewer System Revenue Refunding Bonds, Series 2013

FINAL VERIFIED CASH FLOWS

Sources:	Refunding of Series 2004 Bonds	Series 2013 Reserve Fund Deposit	Total
Bond Proceeds:			
Par Amount	\$ 35,430,000.00	\$ 2,400,000.00	\$ 37,830,000.00
Original Issue Discount	(34,637.75)	(1,859.75)	(36,497.50)
Premium	4,665,167.65	278,428.90	4,943,596.55
	\$ 40,060,529.90	\$ 2,676,569.15	\$ 42,737,099.05

Uses:	Refunding of Series 2004 Bonds	Series 2013 Reserve Fund Deposit	Total
Refunding Escrow Deposits:			
Cash Deposit	0.80		0.80
SLGS Purchases	38,150,535.00		38,150,535.00
	\$ 38,150,535.80		\$ 38,150,535.80

Other Fund Deposits:			
Debt Service Reserve Fund	1,617,100.00	2,656,609.90	4,273,709.90

Delivery Date Expenses:			
Cost of Issuance	94,451.91	6,398.09	100,850.00
Underwriter's Discount	194,714.30	12,053.16	206,767.46
	289,166.21	18,451.25	307,617.46

Other Uses of Funds:			
Additional Proceeds	3,727.89	1,508.00	5,235.89
	\$ 40,060,529.90	\$ 2,676,569.15	\$ 42,737,099.05

Apr 23, 2013 6:00 pm Prepared by Citi

(Finance 7.001 (2013.3.15) Grand Rapids:2013FIN)

Bond Debt Service
City of Grand Rapids, Michigan
2013 Financing
Sanitary Sewer System Revenue Refunding Bonds, Series 2013
FINAL VERIFIED CASH FLOWS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
7/1/2013			\$ 203,437.50	\$ 203,437.50	
1/1/2014	\$ 520,000	2.000%	813,750.00	1,333,750.00	\$ 1,537,187.50
7/1/2014			808,550.00	808,550.00	
1/1/2015	415,000	2.000%	808,550.00	1,223,550.00	2,032,100.00
7/1/2015			804,400.00	804,400.00	
1/1/2016	420,000	3.000%	804,400.00	1,224,400.00	2,028,800.00
7/1/2016			798,100.00	798,100.00	
1/1/2017	440,000	3.000%	798,100.00	1,238,100.00	2,036,200.00
7/1/2017			791,500.00	791,500.00	
1/1/2018	455,000	4.000%	791,500.00	1,246,500.00	2,038,000.00
7/1/2018			782,400.00	782,400.00	
1/1/2019	470,000	4.000%	782,400.00	1,252,400.00	2,034,800.00
7/1/2019			773,000.00	773,000.00	
1/1/2020	485,000	4.000%	773,000.00	1,258,000.00	2,031,000.00
7/1/2020			763,300.00	763,300.00	
1/1/2021	510,000	2.000%	763,300.00	1,273,300.00	2,036,600.00
7/1/2021			758,200.00	758,200.00	
1/1/2022			758,200.00	758,200.00	1,516,400.00
7/1/2022			758,200.00	758,200.00	
1/1/2023	2,100,000	5.000%	758,200.00	2,858,200.00	3,616,400.00
7/1/2023			705,700.00	705,700.00	
1/1/2024	2,205,000	5.000%	705,700.00	2,910,700.00	3,616,400.00
7/1/2024			650,575.00	650,575.00	
1/1/2025	2,310,000	5.000%	650,575.00	2,960,575.00	3,611,150.00
7/1/2025			592,825.00	592,825.00	
1/1/2026	2,440,000	5.000%	592,825.00	3,032,825.00	3,625,650.00
7/1/2026			531,825.00	531,825.00	
1/1/2027	2,565,000	3.000%	531,825.00	3,096,825.00	3,628,650.00
7/1/2027			493,350.00	493,350.00	
1/1/2028	2,645,000	3.000%	493,350.00	3,138,350.00	3,631,700.00
7/1/2028			453,675.00	453,675.00	
1/1/2029	2,725,000	4.000%	453,675.00	3,178,675.00	3,632,350.00
7/1/2029			399,175.00	399,175.00	
1/1/2030	2,835,000	4.000%	399,175.00	3,234,175.00	3,633,350.00
7/1/2030			342,475.00	342,475.00	
1/1/2031	2,955,000	4.000%	342,475.00	3,297,475.00	3,639,950.00
7/1/2031			283,375.00	283,375.00	
1/1/2032	3,080,000	5.000%	283,375.00	3,363,375.00	3,646,750.00
7/1/2032			206,375.00	206,375.00	
1/1/2033	3,235,000	5.000%	206,375.00	3,441,375.00	3,647,750.00
7/1/2033			125,500.00	125,500.00	
1/1/2034	5,020,000	5.000%	125,500.00	5,145,500.00	5,271,000.00
	<u>\$ 37,830,000.00</u>		<u>\$ 24,662,187.50</u>	<u>\$ 62,492,187.50</u>	<u>\$ 62,492,187.50</u>